

INTERNATIONAL Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

Paris, Friday, February 17, 1995

No. 34,827

Mexico Races To Tap Its International Credit Line

Weakening Peso Saps Investors' Confidence After Corporate Default

By Lawrence Malkin and Alan Friedman
International Herald Tribune

Alarmed at the prospect of renewed financial panic, Mexico announced Thursday that it would tap its emergency international rescue package for the first time, while U.S. and Mexican officials sought to reassure international investors that the situation was under control.

The government in Mexico City said that it would begin activating the \$53 billion rescue package next week to redeem \$2 billion worth of its dollar-linked Treasury bonds. It did so even before completing the formalities on the \$20 billion U.S. portion of the global bailout.

U.S. officials in Washington acknowledged that the redemption offer was part of an effort to restore confidence in world financial markets.

Officials said, meanwhile, that the U.S. Treasury was making "good progress" in talks aimed at freeing up the \$20 billion American portion of the \$53 billion international rescue package. The other components include \$17.8 billion of funds from the International Monetary Fund and \$10 billion of loans from the world's leading central banks.

Robert Rubin, the U.S. Treasury secretary, was meeting his Mexican counterpart, Guillermo Ortiz, on Thursday in an effort to reach agreement on the details of the rescue plan, which was unveiled on Jan. 31 by President Bill Clinton.

"We are continuing to make good progress with the Mexican authorities in working out the arrangements to implement the previously announced \$20 billion medium-term support package," a Treasury official said.

The decision by Mexico to draw on IMF and U.S. Treasury credit lines to redeem *tesobonos*, or dollar-linked Treasury bonds, followed high-level consultations with U.S. government officials Wednesday night. These consultations came just hours after a default on \$19.5 million of payments on commercial paper by Grupo Sider SA, a private Mexican company.

The Sider default—and the prospect of

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Dollar Falls, Stocks Rise

The dollar fell Thursday in what analysts said was a fundamental reassessment of the currency. Exposure to Mexico's financial crisis and the belief that the U.S. central bank will not raise interest rates much further contributed to the dollar's decline (Page 11). Meanwhile, the Dow Jones industrial average edged up at the final bell to give U.S. stocks their second record close in a row (Page 13).



Thembu Masuku, left, of Swaziland and Alain Juppé, of France, speaking at their news conference on development aid problems in Brussels on Thursday.

Benoit Desplat, Reuters

EU's Aid to Third World Suddenly in Question

By Tom Buerk
International Herald Tribune

BRUSSELS — The European Union abruptly canceled a meeting with the 70 ACP nations of Africa, the Caribbean and the Pacific on Thursday after negotiations to determine an aid package collapsed.

The move underscored Europe's lessening interest in its poor former colonies while faced with more immediate security needs and economic opportunities in Eastern Europe and the Mediterranean region.

The falling-out over aid also exposed a widening gap in the external priorities of the 15 EU member states. France, the traditional EU advocate for the so-called ACP countries, has pushed strongly to at least increase aid to keep pace with inflation, but Britain has insisted on slashing its contribution by one-third while Germany claims it can afford merely to keep spending steady in nominal terms.

Alain Juppé, the French foreign minister, who called off the meeting rather than make what he considered an insulting aid offer, said the unwillingness to keep up support for the Union's flagship foreign aid program posed a fundamental threat to efforts to develop a common foreign policy.

"There is no more European Union if we follow that logic," he said.

Mr. Juppé pledged to redouble efforts to increase the EU aid offer by mid-April in order to sign a new trade and aid accord with the ACP countries in May.

For the ACP group, which includes many of the globe's most-impoveryed countries and which has seen aid from

the United States and other sources dry up, the failure to win a commitment from their biggest donor was a severe blow.

The Union countries are just coming out of recession, and the budgets are going down to meet the deficit criteria for a single EU currency, said Hans-Friedrich von Flotz, state secretary for European affairs at Germany's Foreign Ministry.

France, which holds the rotating EU presidency and initially sought a sizable real increase in aid, pushed at an EU meeting Wednesday for a compromise of 13.3 billion European Currency Units (\$16.7 billion) for 1995 to 1999. That would be unchanged after inflation from the 10.9 billion Ecu spent in the previous five years. Still, the French came up 1.5 billion Ecu short.

The biggest problem was Britain, which said it planned to slash its contribution to 1.2 billion Ecu from more than 1.7 billion.

The Unbeatable Balladur? Suddenly, It's Not So Sure

By Joseph Fitchett
International Herald Tribune

PARIS — For the first time, Prime Minister Edouard Balladur's regal progress to the presidency has started to seem less than inevitable.

Mr. Balladur remains the overwhelming favorite to win in the April and May elections. But in one of those moments that can seem to last forever in politics, his lead has suddenly started melting in the polls. That downturn is liable to accelerate after some mishap that pointed to his potential vulnerabilities.

Mr. Balladur has positioned himself as a paternal figure, above the fray, but now

French voters can hope that he will be forced into the arena and tackle his opponents instead of ignoring them. That would break the frozen political landscape that has been dominated by the assumption

NEWS ANALYSIS

that Mr. Balladur has an unbeatable lead.

The most intriguing possibility, French analysts said Thursday, is that the weakening of support for Mr. Balladur could revitalized the campaign of his main conservative rival, Jacques Chirac.

The leftist candidate, Lionel Jospin, faces the daunting problem of surmounting the unpopular legacy of 14 years of

mainly Socialist governance. Although Mr. Jospin has surged in the polls, he must contend with an unfavorable political climate in which two-thirds of French voters describe themselves as conservative.

The prime minister had been proceeding calmly to the nation's top job, but then questions about his lock on the vote emerged suddenly as his campaign image turned out to have problems, exposing him to resentment about the French government in general.

Even though he has run the government for only two years, in that time he has often had to compromise with François Mitterrand, the Socialist president elected 14 years ago, and Mr. Balladur is now begin-

ning to be seen by some voters as lacking a vision of how France could make a new start.

These doubts have been reinforced by a series of events that raised questions about Mr. Balladur's nerve and even his general unquestioned integrity.

In the space of a few days, he caved in to student demonstrators in an episode that recalled previous retreats in the face of social tensions and highlighted his potential problems with young voters.

He failed to dispel questions about a substantial monthly salary he received between 1988 and 1993 from a company whose privatization he facilitated when in

See FRANCE, Page 10

AGENDA

House Votes to Curb Role in UN

WASHINGTON (AP) — Despite strong opposition from President Bill Clinton, the Republican-controlled House of Representatives overwhelmingly passed a bill Thursday that would cut back U.S. participation in United Nations peacekeeping and support early expansion of NATO.

A counterpart bill now must be considered in the Senate, where one has yet to be proposed. President Clinton has made it clear that he almost certainly would veto the measure if it passed the Senate in the form passed by the House.

See YELTSIN, Page 10

U.S. Opens Inquiry of Commerce Secretary

WASHINGTON (AP) — The Justice Department has opened a preliminary criminal investigation of Commerce Secretary Ronald H. Brown's personal financial dealings.

The decision, announced Thursday by Attorney General Janet Reno, means the department has found specific and credible allegations that Mr. Brown may have committed a felony.

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Affirmative Action on Trial

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GRAF'S HAPPY RETURNS — Steffi Graf returning a shot to Martina Hingis in a Paris Open match Thursday. Graf won, 6-2, 6-3. Page 19.

Newsstand Prices	
Andorra	9.00 FF
Antilles	11.20 FF
Cameron	14.00 CFA
Egypt	1,500 E.P.
France	9.00 FF
Gabon	... CFA
Greece	250 Dr.
Italy	2,600 Lire
Ivory Coast	120 CFA
Jordan	1 JD
Lebanon	U.S. \$1.50
U.S. Mil. (Eur.)	\$1.10

Dow Jones		Trib Index	
Up	1.35	Down	0.07%
3987.52		109.95	
The Dollar	Thurs. close	previous close	
New York	1.489	1.5095	
DM	1.5785	1.561	
Pound	97.405	98.35	
Yen	5.175	5.2385	
FF			

By Gina Kolata
New York Times Service

NEW YORK — Using a powerful new method for glimpsing the brain in action, researchers have found the first definitive evidence that men and women use their brains differently.

The investigators, who were seeking the basis of reading disorders, asked what areas of the brain were used by readers in the first step in the process of sounding out words. To their astonishment, they discov-

ered that men use a minute area in the left side of the brain while women use areas in both sides.

Dr. Sally E. Shaywitz, a behavioral scientist at the Yale University School of Medicine who was a principal author of the study, said that as far as she knew, this was the first time that anyone had been able to demonstrate anything "functional difference" between the brains of men and women.

The new findings follow a rich body of research looking for sexual differences

in the brain. Psychologists have found that women do better on certain tests, like those measuring verbal speed, and that men do better on other tasks, like imagining what an object would look like if it were rotated.

Neurologists have found that women seem to recover better from strokes in the left hemisphere, where language abilities are thought to be situated. Autopsy studies have shown that male brains are more asymmetrical than female brains.

But these previous studies were indirect. The psychological studies could not prove

that it was nature, not nurture, that elicited the differences. The anatomical studies could not show what the actual effects of the brain differences were.

But the new study showed actual differences in the parts of the brain used when men and women were thinking, and coming up with the same answers.

Dr. Shaywitz said the finding meant that "the brain is a lot more complicated than people envisioned." But it does not say See BRAIN, Page 10

Women and Men DO Think Differently, Science Says

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A Gathering Storm/Civil Rights and Affirmative Action

A War Over Preferences

Scholars Aim to Ax California's Programs

By B. Drummond Ayres Jr.
New York Times Service

LOS ANGELES — An effort by two San Francisco-area academics to eliminate affirmative-action programs in California has set off a debate over civil rights that is rapidly spreading across the country and threatens to be one of the most divisive national dialogues in years.

The two professors, Glynn Custred and Thomas Wood, who describe themselves as "staunch conservatives," want the issue of affirmative action put to a popular vote sometime in 1996. It is an approach that poll takers and political analysts say has the best chance yet of overturning affirmative-action laws in the state.

Mr. Custred, an anthropology professor at California State University in Hayward, said: "Affirmative action has been losing steam with the general public, and we think we've hit upon the sure way to finally reverse it and restore true color-blind fairness in the United States."

To get their proposal on the California ballot, Mr. Custred, Mr. Wood and their supporters will need to gather about a million signatures on petitions. That effort, which the two men say will begin in a matter of weeks, could cost upward of a million dollars.

Few political experts doubt that they will easily exceed both requirements.

"I think the climate is now such that they'll just blitz through," said Mervin Field, the dean of California poll takers who runs the Field Poll.

Recent polls show that the effort may well succeed, not just in California, but also in other states. It is an approach that already is injecting itself into the 1996 presidential race and one that is beginning to spark some ugly exchanges, increasingly between old friends and political allies, especially Democrats.

Even some Democrats with impeccable liberal credentials are beginning to break with their party's traditional hard-line support for affirmative action. They suggest that the system of extending special preferences based on such factors as race and sex has outlived its usefulness and should be abandoned or changed so that preferences are extended only on the basis of economic need.

As for Republicans, many who once hesitated to publicly criticize affirmative action are now openly attacking it, sensing a change in the national political climate, particularly since the November 1994 elections.

Susan Estrich, a California law professor and veteran Democratic campaign strategist, sees political danger for anyone who continues to argue for maintaining affirmative-action policies.

"For all its good intentions, affirmative action was never meant to be permanent, and now is truly the time to move on to some other approach," she said.

"You can try to paint Republican opponents as having been captured by the far right and the like, but that's not going to make the Democratic Party the majority party again. In fact there's a bad potential for this issue to drive a wedge right through the Democratic Party, if it doesn't yield some."

To Mr. Custred and Mr. Wood, a former philosophy professor who now heads the California Association of Scholars, a Berkeley-

based group of conservative educators, affirmative action is a corruption of the civil rights laws passed in the 1960s.

"The specific goal of those laws was to prohibit discrimination by reason of color, race, gender, religion and national origin," Mr. Custred said. "The laws rightly encourage reaching out, but it's a perversion to say that they permit the hiring of people by quota or the admission of students without regard to academic merit or the letting of contracts according to race-based formulas."

Federal, state and local governments, agencies and schools, and thousands of private companies and groups across the country rely on affirmative action as a tool of redress when hiring, promoting, awarding contracts or admitting students.

The proposed referendum that the professors hope to get on the California ballot next year reads:

"Neither the state of California nor any of its political subdivisions or agents shall use race, sex, color, ethnicity or national origin as a criterion for either discriminating against, or granting preferential treatment to, any individual or group in the operation of the state's system of public employment, public education or public contracting."

R. Custred and Mr. Wood plan to first raise enough money and gather enough signatures to put the affirmative-action question on the ballot possibly during the March 1996 primary, but more likely during the November 1996 general election.

Then they plan to encourage ballot efforts in other states and, if their movement spreads, eventually pressure Congress to act.

If they succeed, next year's presidential hopefuls will have to adjust accordingly when they come looking for votes in California, the so-called must-win state. On the Democratic side, the adjustment will require special care, given the party's liberal history on civil rights.

The Custred-Wood proposal, which its authors call the California Civil Rights Initiative, has been labeled "Son of 187," a reference to Proposition 187, the immigration-control measure that California voters passed overwhelmingly on Election Day 1994, but that the courts have mostly put on hold, citing concern over its constitutionality.

Recent opinion polls indicate that dissatisfaction with affirmative action has grown to the point where about two of three Americans have serious doubts about the fairness of the concept, particularly when remedial devices like hiring quotas and contract set-asides are used.

The Republican landslide in last fall's elections was attributed in part to pent-up anger in white men, many of whom told poll takers that they were fed up with affirmative action, whether mandated by law or voluntary.

"Count me among those angry men," Mr. Wood said. "I know the sting of affirmative action. I was once passed over for a teaching job because, I was told privately, I was white and male. It didn't count that I was the most qualified. Well, we're going to put a stop to this. The worm has turned."

AWARE of the polls, civil rights leaders fear the worst. And the worst may be that many of their followers are beginning to drift away as affirmative action becomes more and more controversial.

One of the nation's leading black civil rights advocates, the Reverend Jesse L. Jackson, already has traveled to California to voice opposition to the Custred-Wood proposal and to any other retreat on affirmative action. He called for a "register and resist" voter campaign and warned of "poisonous" setbacks for civil rights.

Then, noting that Governor Pete Wilson, a potential Republican presidential candidate next year, had offered some kind words for the Custred-Wood initiative, Mr. Jackson gave some indication of just how sharp and contentious the coming debate on the issue could be.

Pete Wilson is likened unto George Wallace of Alabama," Mr. Jackson said. "He wants to stand in front of the schoolhouse door."

In Washington and elsewhere on the national political scene, members of Congress and prospective 1996 presidential candidates are scrambling for position, some eager to run with the issue, others not sure whether to plunge into the coming fracas or to flee headlong from it.

Both President Bill Clinton, who has supported affirmative action, and the new Republican leaders on Capitol Hill, most of whom have long held doubts about it, have assigned aides to study possible approaches



Mr. Custred, foreground, and Mr. Woods want affirmative action put to a vote.

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Susan Estrich, a California law professor

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and alternatives. Among suggested options: Replacing race-based and sex-based quotas with quotas based on economic need, as measured by income.

In the California capital, Sacramento, some Democratic legislators also have begun to study alternative approaches to affirmative action, with an eye toward taking the issue away from Republicans.

■ Rally Denounces Racist Flyers

About 200 students and faculty members at the University of California at Berkeley rallied Wednesday to denounce the distribution of flyers that attacked affirmative action by using derogatory and racist terms. The Associated Press reported.

The flyers, placed in the mailboxes of 15 minority students at the Boalt Hall Law School, were discovered Saturday.

"Rejoice you crybab niggers. It's affirmative-action month," the flyer said in part. "When I see you in class it bugs the hell out of me because you're taking the seat of someone qualified."

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THE AMERICAS

Fore! A Presidential Trio Wreaks Havoc on the Links

By John F. Harris
Washington Post Service

PALM SPRINGS, California — When President Bill Clinton and two of his Republican predecessors took to the links, not a soul at the Indian Wells Country Club was safe. With golf balls flying every which way, an outing that had been billed as historic turned out to be downright harrowing.

"Fore!" bellowed former President Gerald R. Ford as his first drive veered into the rough.

You could say that again. And indeed it was said — again and again, all day long, as they rounded the course with the comedian Bob Hope on Wednesday as part of the 36th annual Bob Hope Chrysler Classic — the celebrity part, of course, not the professional one.

They said it when Mr. Clinton sent a shot flying into a wealthy resident's back yard. And Norma Earley wished they had said it a little louder after a ball hit by former President George Bush bounced off a tree and clocked her hard on the bridge of the nose.

Mr. Bush came over to apologize. Ms. Earley, prostrate in the rough, assured him she was fine. So Mr. Bush pushed on while medics wiped off the blood on Ms. Earley's face.

Later in the game, Mr. Bush hit another spectator, John C. Rynd, in the calf; he was not injured. Mr. Ford, to no one's surprise, claimed a casualty of his own, nicking the finger of Geraldine Grommesch and drawing blood.

So the day was not graceful in every respect, but it did provide a remarkable view of the myster-



President Bill Clinton, left, and Gerald R. Ford watching as a golf ball hit by Mr. Ford hit a cart instead of grass.

ious unifying effect of the presidency.

Who knows what sort of uses Mr. Bush was secretly imagining for his golf clubs as he rounded the course with the man who cut short his career. On the surface at least, everything was chummy.

They posed for smiling photographs with the famed golfer Arnold Palmer. They gave each other "gimme" puts when their balls lay close to the hole. They

joshed about the erratic nature of their games.

It was hard to remember that Mr. Bush once sought re-election by attacking Mr. Clinton's character, and Mr. Clinton that same year denied him victory in part by arguing Mr. Bush was a hard-hearted reactionary with no vision.

But why dwell on the past? Wednesday, they were three pals who all belong to the same exclusive club. Only Jimmy

Carter, busy announcing another peace mission to Haiti, was not around to enjoy the brilliant sun that shone on one of the nation's most opulent settings.

There was another source of radiance — a list of celebrities that included the actor Clint Eastwood and a former football star, Lawrence Taylor. Joining Mr. Bush, Mr. Clinton, Mr. Ford and Mr. Hope to make up a fivesome for the golf game was a pro player, Scott Hoch.

Mr. Clinton was the most garrulous of the group, waving often to the crowd and keeping up a running commentary on his game.

Compared to the more reserved Mr. Ford and Mr. Bush, the effect was as if 48-year-old Mr. Clinton were the brash new member of a starchy country club.

Mr. Bush seemed a gaunt, dandified figure — plainly still a vigorous man at 70 but more se-

date than when he was in office. It was if his presidency had ended 20 years ago rather than two.

It was Mr. Ford who looked thoroughly unchanged — still, at 81, the solid regular block of a guy who occupied the White House after Richard M. Nixon's resignation in the mid-1970s.

And then there was Mr. Hope, whose first game of presidential golf was with Dwight D. Eisenhower. At age 91, he moved in slow motion as he walked from his cart toward the ball.

But something remarkable happened when Mr. Hope swung his club. The shots, though they did not go all that far, were consistently among the straightest in his group.

Mr. Hope's face was puckered all day, as though he were always on the verge of some wisecrack. He did unleash a few.

Of Mr. Ford's game, Mr. Hope joked, "They have 57 golf courses down here and he doesn't know which one he is going to play until after his first shot."

Given the casual nature of the outing, the announced scores should be taken with a grain of salt: Mr. Bush, 92; Mr. Clinton, 93; Mr. Ford, 100; Mr. Hope apparently did not keep.

No one in Wednesday's bad golfer — just uneven. Mr.

Washington — Patrick J. Buchanan, the conservative television commentator who challenged President George Bush in the 1992 Republican primaries, plans to take his first formal step toward another candidacy by filing his intentions to form a presidential exploratory committee.

The Republican's entry into the 1996 campaign could result in sharp debate within the party over issues ranging from abortion and immigration to foreign trade and foreign policy.

In a statement issued by his committee, Mr. Buchanan attacked President Bill Clinton's Mexico bailout plan as a "rip-off of the taxpayers" and cited his opposition to the North American Free Trade Agreement and the General Agreement on Tariffs and Trade as examples of what he would battle against.

POLITICAL NOTES

Commentator Setting Up 1996 Bid

WASHINGTON — Patrick J. Buchanan, the conservative television commentator who challenged President George Bush in the 1992 Republican primaries, plans to take his first formal step toward another candidacy by filing his intentions to form a presidential exploratory committee.

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Panel Passes Welfare Bill Bitterly

WASHINGTON — A congressional subcommittee has approved sweeping legislation to overhaul the nation's welfare programs as Republicans and Democrats angrily accused each other of perpetuating poverty.

The action was the first big step by the new Congress to pare back the social welfare programs established over 60 years.

The welfare bill, a keystone of the Republican legislative agenda, was approved by the House Ways and Means subcommittee on human resources by a party-line vote of 8 to 5.

The bill would consolidate several dozen programs, including Aid to Families With Dependent Children, and turn them over to the states with lump sums of money, or block grants. It would also cut off cash assistance to tens of thousands of poor children with physical or mental disabilities.

The measure, which is likely to reach the House floor next month, would outlaw the use of federal money for cash assistance to unmarried mothers under the age of 18.

Harold E. Ford, Democrat of Tennessee, touched off the partisan fireworks Wednesday when he denounced the bill as "mean-spirited and shortsighted." He said it punished "children for the mistakes of their parents."

Committee Nears Gingrich Inquiry

WASHINGTON — As the speaker of the House, Newt Gingrich, denounced his Democratic critics, saying they had made spurious charges of misconduct against him, the ethics committee said it was close to agreeing on a procedure for investigating those accusations.

Members of the bipartisan panel said they had yet to make a critical decision in the inquiry: whether to hire an outside counsel to investigate the Georgia Republican's finances and conduct.

The head of the committee, Nancy L. Johnson, Republican of Connecticut, said members "discussed all procedural options and agreed on those we felt would enable us to move forward on a bipartisan basis."

She said the committee had so far held two amicable and thorough discussions of Mr. Gingrich's case, something "that is no mean feat at this point."

The man Mr. Gingrich defeated in November, Ben Jones, has charged that a college course the speaker teaches is politically oriented and improperly financed with tax-exempt funds. He also has accused Mr. Gingrich of breaking House rules by accepting a lucrative book contract with a publishing house owned by the media mogul Rupert Murdoch.

Historians Fault Possible Nominee

WASHINGTON — Word that the White House is considering appointing a former Kansas governor as national archivist has prompted protests from historians and archivists who say he lacks the credentials needed for the job.

They also complain that choosing John W. Carlin, who helped the 1992 Clinton campaign, could politicize the job.

White House sources have said that Mr. Carlin was among the top choices to head the National Archives and Records Administration.

Quote/Unquote

Mr. Buchanan, on what he called Republican acquiescence to "world government": "This is politics as usual, and the United States will not survive politics as usual."

FBI Arrests Suspect In Computer Spree

By John Markoff
New York Times Service

RALEIGH, North Carolina — After a search of more than two years, a team of FBI agents have captured a 31-year-old computer expert accused of a long crime spree that includes the theft of thousands of data files and at least 20,000 credit card numbers from computer systems around the nation.

The arrest on Wednesday of Kevin D. Mitnick, one of the most wanted computer criminals, followed a 24-hour stakeout of a Raleigh apartment building here.

A convicted computer felon on the run from federal law enforcement officials since November 1992, Mr. Mitnick has used his sophisticated skills over the years to pry into many of the nation's telephone and cellular telephone networks and vandalize government, corporate and university computer systems.

Most recently, he had become a suspect in a rash of break-ins on the global Internet computer network.

"He was clearly the most wanted computer hacker in the world," said Kent Walker, an assistant U.S. attorney in San

Francisco who helped coordinate the investigation. "He allegedly had access to corporate trade secrets worth billions of dollars. He was a very big threat."

But federal officials say Mr. Mitnick's confidence in his hacking skills may have been his undoing. On Christmas Day, he broke into the home computer of a highly skilled computer security expert, Tsutomu Shimomura, 30, a researcher at the federally financed San Diego Supercomputer Center.

Mr. Shimomura then made a crusade of tracking down the intruder, an obsession that led to Wednesday's arrest here by FBI agents.

Mr. Mitnick, already wanted in California for a federal parole violation, was charged Wednesday with two federal crimes. The first, illegal use of a telephone access device, is punishable by up to 15 years in prison and a \$250,000 fine.

The second charge, computer fraud, carries potential penalties of 20 years in prison and a \$250,000 fine. Federal prosecutors said they were considering additional charges related to Mr. Mitnick's reported Internet spree.

Carter to Help Haiti in Setting Parliament Vote

Los Angeles Times Service

WASHINGTON — Former President Jimmy Carter, hoping to build on his success in helping to negotiate the return of Haiti's elected president, will go to Haiti this month to lend support to the often-postponed parliamentary elections there.

"We will explore ways in which we might be helpful in reinforcing a free and fair electoral process," he said Wednesday.

Parliamentary elections, initially scheduled for late last year, are now expected in April or May. An election to choose a successor to President Jean-Bertrand Aristide is expected late this year.

Mr. Carter will be accompanied on his Feb. 23 to 26 trip by Senator Sam Nunn, Democrat of Georgia, and the retired head of the Joint Chiefs of Staff, General Colin L. Powell. Both were members of his delegation in September.

When he was last in Haiti, in September, Mr. Carter negotiated the deal that cleared the way for Mr. Aristide, the only freely elected chief executive in Haiti's 200-year history, to regain the office he lost in a coup three years earlier.

What the Police Told Simpson Officer Says Defendant Didn't Asked How Ex-Wife Died

The Associated Press

LOS ANGELES — O. J. Simpson said "Oh my God, she's dead" and became extremely upset when a detective told him of his former wife's death, but Mr. Simpson did not ask how, when or where she had died, the detective testified Thursday.

The detective, Ronald Phillips, said he was in Mr. Simpson's kitchen when he made the call to Mr. Simpson's hotel in Chicago the morning after the June 12 murders of Nicole Brown Simpson and Ronald L. Goldman. He said the call lasted about five minutes.

"I asked if Mr. Simpson was registered at that hotel. Shortly thereafter a male voice that I recognized as Mr. Simpson answered the phone," Mr. Phillips said. "I asked him, 'Is this O.J. Simpson?'"

"And he said, 'Yes, who is this?'"

Mr. Phillips said he introduced himself and said, "I have some bad news for you: Your ex-wife Nicole Simpson has been killed."

He said Mr. Simpson replied: "Oh my God, Nicole is killed. Oh my God, she's dead." And then he got very upset on the

telephone." He said he tried to calm Mr. Simpson down.

Prosecutors say Mr. Simpson killed Mrs. Simpson and Mr. Goldman outside her condominium before leaving for his trip to Chicago. In a line of questioning that was allowed over defense objections, Mr. Phillips said he never told Mr. Simpson his ex-wife had been murdered and Mr. Simpson never asked,

"Did Mr. Simpson ask you how she was killed?" asked Deputy District Attorney Marvin Clark.

"No."

"Did he ask you when she was killed?"

"No."

"Did he ask you where it had occurred?"

"No."

Mr. Phillips said after he finished talking to Mr. Simpson, he handed the phone to Mr. Simpson's daughter Arnelle. Mr. Phillips said he was then led to the back of a guest house by another detective, Mark Fuhrman.

He said Mr. Fuhrman pointed out an object to me" — a dark glove lying in leaves on a walkway.

"Did you think that was sig-

nificant, that glove?" asked Ms. Clark.

Mr. Phillips said yes, because "it looked like it was also the same type of glove we had seen" at the crime scene.

Authorities have argued that the glove was the mate of one found near the bodies.

Meanwhile, the defense dis-

closed that a prime witness — a maid who lived next door to Mr. Simpson — appears to have gone to El Salvador. The maid, Rosa Lopez, had told defense attorneys that she saw Mr. Simpson's white Ford Bronco in the street outside his estate at the time of the killings.

Wednesday afternoon. He had been staying with his mother in Yellowknife pending the decision on his appeal.

On Tuesday, the Quebec Court of Appeal rejected his appeal of a 1992 sexual assault conviction. Unless he appeals to the Supreme Court of Canada, he faces a three-year prison sentence.

Michel Chretien, who was 21

at the time of the incident, contended that the woman who had made the accusation had agreed to have sex with him.

For investment information

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Mexico Proclaims Rebel Rout

The Associated Press

SAN CRISTOBAL DE LAS CASAS, Mexico — After a five-day military thrust, the government says it has regained control of the remote jungle region in southern Mexico that Indian rebels had held for the last year.

Leaders of the rebel Zapatista National Liberation Army remain at large, however, along with their fighters and thousands of Indian peasant supporters.

Uncertainty over the situation in Chiapas state contributed to another drop in Mexico's stock market and currency Thursday.

"Five days after the start of the operation, order and legality has been re-established in the region," Interior Secretary Esteban Moctezuma said Wednesday night.

"Today, there is no Mexican territory supposedly controlled by a force other than those legitimately recognized in the nation," he said.

The rebels rose up Jan. 1, 1994, to demand better living conditions for Indian peasants in Chiapas, Mexico's poorest state, and fair elections. At least 145 people died before a Jan. 12 cease-fire last year halted fighting.

Troops were in dozens of remote villages

Thursday that had been held by the rebels since the uprising began. Many villages in the region were virtual ghost towns Wednesday. Even pro-government peasants who remained were often wary, despite military efforts to win them over with offers of aid.

In the former rebel stronghold of Patihuitz, a soldier, speaking over a loudspeaker in the region's Tzeltal Indian tongue, offered handouts of food, medicine and medical care. But despite their poverty, only a few villagers emerged from hiding to pluck plastic bags of food.

President Ernesto Zedillo Ponce de Leon ordered troops into the region Feb. 9, ending a yearlong truce. He said he acted after discovering evidence that the rebels planned new attacks.

But he announced Tuesday that the troops would halt their advance in hopes of re-establishing peace contacts. Mr. Zedillo sent the legislature a proposal Wednesday to grant amnesty to rebels who disarm.

"It is important," he said, "to reiterate the government's belief that the solution to the Chiapas conflict is through dialogue and negotiation."

ASIA

Chinese Gambit: Seizing Spratly Reef Without a Fight

By Michael Richardson
International Herald Tribune

SINGAPORE — By occupying another of the atolls and reefs in the South China Sea recently, Beijing evidently calculated that it can expand its presence in an area it regards as strategically important without provoking a military clash with neighboring states.

At the same time, China has exposed weaknesses in the diplomatic defenses of the United States and countries in Southeast Asia that are reluctant to confront Beijing for fear of making it more assertive, analysts say.

The Philippines, the country immediately challenged by the Chinese action, sent reinforcements Thursday into the trouble zone—but in doing so underlined its military impotence against a regional power of China's size and relative might.

The Philippine Air Force dispatched five aging F-5 fighters backed by four jet trainers and two helicopters, while the navy sent two additional ships.

This followed an order by President Fidel V. Ramos on Wednesday to strengthen forces in the area close to

Panganiban Reef, a part of the Spratlys claimed by the Philippines.

"Our entire force of F-5's has been sent there, five of them," said Colonel Felipe Gaerlan, an air force spokesman in Manila. "Unfortunately, they are the most advanced interceptor jets we have."

The previously unoccupied Panganiban atoll, also known as Mischief

NEWS ANALYSIS

Reef, is now under the control of Beijing after nine Chinese ships, several of them identified by the Philippine military as naval vessels, brought men and materials to build a series of structures on reefs.

The platforms at Panganiban are similar to garrisons that the Chinese have built on reefs elsewhere in the Spratlys. Aerial reconnaissance showed that some of the Chinese appeared to be soldiers, General Arturo Estrella, the chief of the Philippine armed forces, said Thursday.

Beijing maintains that the new facilities are to ensure the safety of Chinese fishermen working in the area.

Philippine officials say the reef

could be used as a naval anchorage and military base.

Manila had a "strong diplomatic protest" with Beijing. But Philippine officials have made it clear that the country will not attempt to dislodge the Chinese by force.

Diplomats said that Manila's diplomatic position was as weak as its military one, and that Beijing had moved to exploit that weakness.

Neither the United States, which has a mutual defense treaty with the Philippines, nor Manila's partners in the Association of the South East Asian Nations, have publicly supported the Philippine position.

All or part of the area of the Spratlys claimed by the Philippines is also claimed by Brunei and Malaysia, two of Manila's ASEAN partners, and by China, Vietnam and Taiwan.

At a meeting in Manila in 1992, foreign ministers of ASEAN issued a Declaration on the South China Sea that called on the Spratly claimants to exercise restraint and settle their disputes peacefully.

Vietnam subsequently endorsed the declaration, but Beijing gave it only qualified support. Vietnam, which is expected to join ASEAN in July, is the

only signatory to have commented publicly on the Chinese occupation of Panganiban Reef.

Hanoi on Thursday reasserted its claim to the Spratlys and the Paracel Islands farther north, which Chinese forces seized in 1974.

Ho The Lan, a spokeswoman for the Foreign Ministry in Hanoi, said that disagreements over sovereignty in the South China Sea must be resolved through peaceful negotiations.

Michael Leifer, a professor of international relations at the London School of Economics and Political Science, said that the "inability of Southeast Asian states to adopt a common position over the South China Sea" could encourage Beijing to continue its policy of "creeping assertiveness" in the area.

He added that that assertiveness might be encouraged by other factors as well. For example, he said, the United States is seen by Asian countries to have "lost the will to uphold the regional balance of power. Russia does not count militarily in Southeast Asia, while Japan is viewed as a sleeping giant best left alone."

Washington, which is having its own

difficulties with China, has refused to take sides in the Spratlys dispute.

The United States "takes no position on the merits of the competing claims in the South China Sea," but would view the use of force in resolving differences as a serious matter, said the state department spokeswoman Christine Shelley.

Admiral Richard Macke, commander of U.S. forces in the Pacific, said that although China's latest action was "moving in a direction that I'm not comfortable with," dialogue "rather than isolation or confrontation" was still the best way to deal with Beijing.

Analysis said that the United States and a number of ASEAN countries were concerned that confronting China over the Spratlys now could strengthen hard-line nationalists at the expense of moderates in the factional maneuvering to succeed the ailing Deng Xiaoping.

Shannon Selin, a research associate in international relations at the University of British Columbia in Canada, said that problems with China could be exacerbated if skirmishing over Mr. Deng's succession led "one faction or another to court military support by taking a strong stand" on such issues as the South China Sea.

BRIEFLY ASIA



Shawn Keeler/The Associated Press
CLEANUP DETAIL — Two Marines, David Settles, standing, and Cory Klepp, polishing a memorial on Iwo Jima before the 50th anniversary of the island battle.

Fatal Fire Unleashes Taipei Anger

TAICHUNG, Taiwan — Taiwan's government lashed out at illegal public buildings Thursday after a fire killed 64 people.

Flames engulfed a three-story restaurant and karaoke complex in this central Taiwan city late Wednesday, trapping victims behind sealed windows and metal slats as they made for a single exit. Fire fighters said the dead lay heaped near doorways and windows, having choked on poisonous smoke.

Prime Minister Lien Chan said the complex was partly illegal and vowed that any government unit found to have acted wrongly would be punished. "To maintain public safety is the most important link in government policy," Mr. Lien was quoted by a government spokesman as telling Parliament.

The restaurant failed a safety check Monday because it had only one exit — the main entrance — and insufficient fire-fighting facilities.

(Reuters)

Hong Kong Media Suit Dismissed

HONG KONG — In a ruling hailed as a victory for Hong Kong media, a court on Thursday threw out an official prosecution of a newspaper that published information about a land auction probe.

Judge Hugh Sinclair ruled that the prosecution had no case and that the action violated Hong Kong's bill of rights.

The Ming Pao daily and three of its editorial staff were prosecuted for revealing information about an investigation by the Independent Commission Against Corruption into allegations that major property developers rigged a government land auction.

The commission used Hong Kong's sweeping anti-corruption laws to prosecute the newspaper on the grounds that its reporting hindered the investigation.

(AP)

China Leader Assails Corruption

BEIJING — In one of the strongest messages so far, Prime Minister Li Peng of China has warned that corruption and abuse of power have angered the public and could threaten Communist Party rule, official media reported Thursday.

Speaking at an anti-corruption conference sponsored by the State Council, China's cabinet, Mr. Li said Wednesday that bribery, embezzlement and other economic crimes, abuse of power, influence peddling and arbitrary enforcement of the laws had "aroused resentment among the broad masses of people because they are very serious."

Top leaders of the Communist Party have stepped up an anti-graft campaign in recent months, arguing that public resentment toward officials could erupt into mass protests.

With China's paramount leader, Deng Xiaoping, reported to be in declining health, fears of unrest appear to have deepened.

Mr. Li said the fate of the party, and the nation, hinged on effectively dealing with the problem.

(AP)

VOICES From Asia

Deng Rong, a daughter of Deng Xiaoping, on the senior leader of China: "Health permitting, he said he wanted to set foot in Hong Kong in 1997. He would be willing to go in a wheelchair. He still has this hope."

(Reuters)

Foreign Minister Ali Alatas of Indonesia, on the dispute between the Philippines and China over islands in the South China Sea: "We continue to hope that this issue of overlapping claims of sovereignty can be peacefully resolved either bilaterally or multilaterally."

Nikhil Gupta, a trader with D.S. Purboodhas, on a decline in Indian stocks after news that state-owned banks had raised prime lending rates: "Though this was in the cards, these guys have really gone and done it."

(Bloomberg)



A North Korean patrolling along the DMZ on Thursday, the birthday of his country's leader, Kim Jong Il.

North Korea's Leader Turns 53, in Private

Reuters

TOKYO — North Korea's official media said a double rainbow rose over the country's most revered peak on Thursday to mark the 53rd birthday of Kim Jong Il and that baskets of flowers arrived in Pyongyang from around the world.

Absent, however, from the celebrations of what the official press agency KCNA called "the most auspicious common holiday of humankind" was the enigmatic leader himself.

There have been only a handful of reported sightings of Mr. Kim since the death in July of his father, Kim Il Sung, the nation's founder and autocratic leader for a half-century.

There had been speculation that Mr. Kim might on Thursday formally assume his father's posts of state president and leader of the Communist Party after the government decreed the birthday the nation's "greatest holiday."

But Mr. Kim did not even attend the Communist Party's banquet in his honor. His long public absence and failure to formally assume positions of power seven months after the death of his father have kept alive speculation about his health and about a power struggle involving the country's powerful military.

The official press agency's birthday coverage, monitored in Tokyo, focused on international observations of the birthday and on mysterious natural events they said were linked to the holiday.

Birthday gifts included baskets from the Communist Party of China; Yasser Arafat, the head of the Palestine Liberation Organization; and the Libyan leader, Colonel Muammar Gadhafi, the press agency said.

North Korean scientists were reported to have observed on Monday twin rainbows in the sky over Mount Paektu, revered as the country's most sacred mountain and named in official documents as Mr. Kim's birthplace.

Afghan Chief Quits, UN Envoy Reports**Militia Won't Join Interim Council**

Reuters

ISLAMABAD, Pakistan — A UN envoy said Thursday that President Burhanuddin Rabbani of Afghanistan would hand over power to an interim council in Kabul, the capital, in the next few days.

"I am expecting Rabbani to step down on Monday and transfer power," said the envoy, Mahmoud Mestiri. "Of course there is always some uncertainty, but I am confident."

But he said that the crusading Islamic militia known as the Taleban had refused to be represented on the council.

"They said no because they don't want to be with parties they consider criminals," Mr. Mestiri said.

Mr. Mestiri, a former foreign minister of Tunisia, said he would fly to Kabul on Friday with some of the Afghan leaders who will make up the interim council of about 25 members.

The Taleban swept to the gates of Kabul this week, dislodging the forces of Gulbuddin Hekmatyar, the main opposition leader, and dramatically changing the Afghan balance of power.

A Potent Fighting Force

John F. Burns of The New York Times reported earlier from Islamabad:

The Taleban, a force of self-proclaimed Islamic purists and Afghan patriots, many of them former religious students, has taken control of more than 40 percent of Afghanistan.

It is now by far the most powerful force in the country.

The group has made big gains in 9 of Afghanistan's 30 provinces. Its drive has created the largest chunk of Afghanistan under united control since Soviet forces arrived in December 1979.

This week, a Taleban force halted barely 15 kilometers (nine miles) from Kabul and issued an ultimatum — renewed Thursday — that the city's defenders withdraw, an indication that Kabul is next in their sights.

Along the way, the Taleban has uprooted scores of mujahidin commanders, the self-styled "soldiers of God" who took to Afghanistan's wild valleys and mountains to fight the Soviet occupiers 15 years ago.

An explosion of popular resentment against the warlords has been as much a factor in the Taleban's success as its military might. Many Afghans say they see in the new force the salvation for their country that they have waited for so long.

The enthusiasm of many Afghans for the Taleban is not wholly shared by diplomats who have worked for years to secure an Afghan peace. As Taleban successes grew in recent weeks, the mujahidin leaders who led the resistance to the Russians suddenly found common ground that had eluded them for years.

Some of the group's strict Muslim beliefs could stir protest once the relief felt by people who have been freed of the warlords' repression begins to recede.

Indonesian Official Says Jakarta Must Stop Exploiting the Poor

Agence France-Presse

JAKARTA — A senior government minister has warned that exploitation of the poor and a growing economic disparity between classes are a threat to Indonesia's national security.

He said the nation must contend with "the exploitation of workers who are paid meager and inhuman wages for their

exploitation of the weak and powerless by the strong and affluent," the Jakarta Post reported.

He said the nation must come to an agreement with the government to end the exploitation of workers who are paid meager and inhuman wages for their

sweat, and the exploitation of poor farmers whose lands were prepared for very small compensation."

Such exploitation has been the source of tension and conflict in the past, he said.

The warning came days after

the nation's textile producers asked to be exempted from having to pay an increase in the minimum daily wage. They said they could not afford it.

The Indonesian government estimates that 26 million people out of the population of 190 million are poor.

General Sudradjat said that in addition to the disparity between rich and poor, the gap between the level of development of the various islands has widened. That disparity must also be addressed to preserve national security, he added.

"Such a gap could sow discontent, which in turn would affect the unity of the nation," he said.

The minister said that a Communist revival remains a danger, even 30 years after communism was banned in Indonesia.

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EUROPE



Three Bosnian children roller-skating at a Sarajevo cemetery Thursday, as a cease-fire in the capital continued to hold.

5 Powers to Sweeten Their Offer to Serbia

By Roger Cohen
New York Times Service

PARIS — The five nations pursuing a peace settlement in Bosnia have agreed to offer President Slobodan Milosevic of Serbia more than a suspension of international trade sanctions in exchange for his recognition of Bosnia and Croatia. French officials said Thursday.

The officials said that when Foreign Minister Andrei V. Kozyrev of Russia visits Belgrade on Saturday to present the latest ideas of the five-nation "contact group," he will make clear to Mr. Milosevic that recognition would be accompanied by explicit guarantees for the Bosnian and Croatian Serbs.

President Alija Izetbegovic of Bosnia's mostly Muslim government would be required to give formal acceptance to the idea that the Bosnian Serbs are entitled to that accorded to Muslims and Croats in Bosnia. The

Muslims and Croats have been offered the right to confederate with Croatia, so such equivalence would presumably give the Bosnian Serbs the right to a similar arrangement with Serbia.

President Franjo Tudjman of Croatia would be required to rescind his demand that the United Nations troops who provide a buffer to the Croatian Serbs leave the country after March 31. Thus, Mr. Milosevic would gain the assurance that Serbs in Croatia are not abruptly exposed to attack.

Mr. Tudjman would also be asked to accept negotiations on an American-backed plan for the Croatian Serbs that offers them virtually complete autonomy. The Croatian government does not like the plan.

In this way, the officials hope, Mr. Milosevic could argue that recognition of Bosnia and Croatia did not amount to abandonment of the Bosnian and Croatian Serbs he long supported in their military cam-

paigns to remain united with Serbia and evict or kill non-Serbs in the areas under their control.

Serbs hold about 70 percent of Bosnia and 30 percent of Croatia.

"We have reason to believe," one official said, "that Mr. Milosevic's priority is now an end to Serbia's isolation and economic decline and that he no longer sees military means as the way to defend Serbian interests outside Serbia. That is the logic behind our offer."

But initial signs in Belgrade indicate that even such blandishments would fall well short of persuading Mr. Milosevic to opt for recognition of two countries whose borders he has contested for four years.

The newspaper Politika, which is close to Mr. Milosevic, reprinted comments from Vlado Jovanovic, the foreign minister of the Serbian-dominated rump Yugoslav federation. He said, "We cannot recognize Croatia and Bosnia until

political solutions for the dispute in which all sides are equally treated are found."

Zarko Jokanovic, a spokesman for the New Democracy Party, which is allied with Mr. Milosevic's Serbian Socialist Party, said, "What is demanded of Serbia is too much considering the offer." And Vojislav Seselj, the leader of the hard-line Serbian Radical Party, said recognition would amount to "high treason."

Colleagues said the technician, who had been with the laboratory for 27 years, was tormented by his recent divorce. His former wife works as an administrative assistant at the laboratory, which straddles the Swiss-French frontier. The police in Bourg-en-Bresse, France, identified the man as Nicolas Blazquez, 53, of Romanian origin. They said he would be charged with murder and attempted extortion.

The spokesman said the technician worked all weekend to dismantle the control system. All the particle experiments at the laboratory depend on the proton synchrotron, which accelerates particles to an initial speed, or energy level. They are then injected into larger accelerators where they are collided together to recreate the conditions in the very early stages of the universe.

The laboratory's experiments are shut during the winter months to allow for maintenance and reprogramming.

Experiments on the laboratory's main electronic collider were scheduled to resume in April, and the spokesman said it was hoped to get the synchrotron working by then.

About 9,000 people, including 5,000 physicists, work at the center.

Swiss Particle Physics Lab Is Crippled by a Saboteur

International Herald Tribune

A disgruntled technician sabotaged the world's largest particle physics laboratory in Geneva, by dismantling hundreds of complex electronic modules, a spokesman said Tuesday.

The spokesman for the European Particle Physics Laboratory said most of the 1,300 modules were found in hiding places under the flooring or behind walls and appeared to be undamaged. It will take weeks to reinstall and test them.

The modules controlled the operation of a huge particle accelerator known as a proton synchrotron.

Colleagues said the technician, who had been with the laboratory for 27 years, was tormented by his recent divorce.

His former wife works as an administrative assistant at the laboratory, which straddles the Swiss-French frontier. The police in Bourg-en-Bresse, France, identified the man as Nicolas Blazquez, 53, of Romanian origin. They said he would be charged with murder and attempted extortion.

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EU-Turkey Accord Hits Snag

Reuters

STRASBOURG — The European Parliament threw further doubt on European Union plans for a customs agreement with Turkey on Thursday, saying Ankara's human rights record was too poor for the deal to be allowed to go through.

Members of Parliament adopted a resolution describing Turkey's rights record as "too grave to allow for the formation of the proposed customs union at present."

They said they would not approve a deal granting Turkey access to EU markets unless they heard reports of progress in the human rights area.

Under the Maastricht treaty, the Parliament, the EU's only

directly elected body, has the power to block deals such as the customs union.

European Union foreign ministers have been working hard to agree on a deal that would allow Greece, Turkey's longtime rival, to drop its veto of the customs union.

In exchange for Athens' lifting its objections, the EU would

Unionists Warn Major On Proposal

Reuters

LONDON — Opponents of Irish reunification bluntly told Prime Minister John Major on Thursday that his plans for peace in Northern Ireland were unacceptably one-sided.

Three members of Parliament representing Unionists who want the province to stay British said Mr. Major failed to dispel their fears at a meeting earlier this week that the proposals amounted to a sell-out to Dublin.

"While we remain willing to discuss our own reasonable proposals, we would not be able to enter into talks on the basis of an agenda which we regard to be a one-sided nationalist agenda," they said in a letter to Mr. Major.

Britain and Ireland are trying to bring Unionist and nationalist parties together to discuss how to cement peace in Northern Ireland, still fragile after cease-fires six months ago ended a 25-year-old civil war that cost 3,200 lives.

"In my opinion, the only solution is destruction," the grower Francois Cadoret told TF1 television in Brittany.

Oysters "R" Far Too Many

Reuters

PARIS — French oyster growers are choking on a 4,000-ton oyster mountain, caused by a slide in foreign orders and a mild winter that has let the shelffish get too fat.

The warm temperatures have helped the oysters grow too big for traditional consumption — eaten raw from the shell. Some weigh more than 500 grams (1 pound) each. Growers say that orders from abroad, especially from Italy, have also fallen.

"In my opinion, the only solution is destruction," the grower Francois Cadoret told TF1 television in Brittany.

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Herald Tribune
THE WORLD'S DAILY NEWSPAPER

Italian Probe Links Andreotti to Mafia

State Cites Compelling Proof Connecting Crime to Politics

By William Drozdiak
Washington Post Service

ROME — Italy's anti-Mafia prosecutors say they have unearthed some of the most explosive evidence to date linking one of the country's major politicians of the postwar era to the most powerful ringleaders of organized crime in Sicily.

Nearly two years after they began exploring alleged connections between Mafia clans and political parties, investigators said they had gathered what they consider to be compelling proof of a long and secret relationship between the *Cosa Nostra* leadership and Guido Andreotti, 76, the Christian Democrat leader who served as prime minister in seven governments.

Judicial sources said the evidence would show how the Mafia's political clout eventually became so great that it heavily influenced the choice of judges and Christian Democratic political candidates — who in turn would ensure tolerance of Mafia activities and provide lenient treatment for criminal figures who were arrested.

Giancarlo Caselli, chief prosecutor in Palermo, said the evidence would be unveiled at a hearing Friday at which he will ask the examining magistrate to place Mr. Andreotti on trial for being a "man of honor" — the gangland euphemism for being a full member of the Mafia.

The sources said the hearing already has been postponed three times. Mr. Andreotti's lawyers said they probably would ask another adjournment for time to scrutinize the fresh evidence.

Judicial sources said the evidence would shed new light on how the Christian Democrats exercised a virtual political monopoly in the south by trading favors with crime syndicates that could deliver large blocks of votes. The party, which dominated Italian politics for more than four decades, was dissolved last year in the aftermath of the massive corruption scandal involving kickbacks for state contracts.

Mr. Andreotti has denied all charges that he was linked in any way to the Mafia and said such claims were motivated by a desire by informants to exact revenge for the efforts by his governments to curb the Sicilian clans.

The prosecution has built much of its case, spelled out in more than 86,000 pages, on testimony from prominent Mafia turncoats such as Tommaso Buscetta, who have broken their vows of silence in return for leniency. Mr. Buscetta lives in the United States under an assumed identity but has returned on several occasions to testify against the Mafia.

But the most damaging information, judicial sources said, has come lately from Mr. Andreotti's own Sicilian political proteges, including a former senator, Franco Evangelisti, and Gioacchino Pennino, who was a Christian Democrat member of the Palermo City Council.

Mr. Caselli said Mr. Pennino, in particular, had furnished detailed information that helped explain how the mutually beneficial arrangements between the Christian Democratic Party and Mafia chieftains evolved from their common hatred of the Communists.

Judicial sources said Mr. Pennino's testimony was primarily responsible for the arrest this week of two Christian Democratic Parliament members from Sicily, ex-Senator Vincenzo Inzerillo and former government minister Calogero Mannino, who were charged with working for the Mafia.

Colleagues said the technician, who had been with the laboratory for 27 years, was tormented by his recent divorce.

His former wife works as an administrative assistant at the laboratory, which straddles the Swiss-French frontier. The police in Bourg-en-Bresse, France, identified the man as Nicolas Blazquez, 53, of Romanian origin. They said he would be charged with murder and attempted extortion.

The spokesman said the technician worked all weekend to dismantle the control system. All the particle experiments at the laboratory depend on the proton synchrotron, which accelerates particles to an initial speed, or energy level. They are then injected into larger accelerators where they are collided together to recreate the conditions in the very early stages of the universe.

The laboratory's experiments are shut during the winter months to allow for maintenance and reprogramming.

Experiments on the laboratory's main electronic collider were scheduled to resume in April, and the spokesman said it was hoped to get the synchrotron working by then.

About 9,000 people, including 5,000 physicists, work at the center.

On March 29th, the IHT will publish, in its Asian edition, the first in a series of Sponsored Sections on

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Herald Tribune
THE WORLD'S DAILY NEWSPAPER

BRIEFLY EUROPE

EU Anti-Racism Body Is Proposed

STRASBOURG — The European Union should set up a watchdog body to monitor and curb racist attacks on minorities, the European Parliament said Thursday.

The assembly was reacting to the killings earlier this month of four Gypsy men in Austria by a booby-trapped bomb that the police believe was planted by neo-Nazis. Austria joined the EU in January. (Reuters)

Russia's Ban on Visit Is Protested

MOSCOW — The European Parliament protested Wednesday over a Russian decision to forbid European Union delegation to travel to the breakaway southern republic of Chechnya next week.

An official statement said the European Parliament's chairman, Klaus Haensel, would regard the Russian move "as a severe blow" to relations with Russia.

The delegation was due to head for Chechnya via Moscow from Feb. 19 to 24 on a fact-finding mission. But the Russian Consulate in Strasbourg refused to issue the visas. (Reuters)

Don't Isolate Russia, Claes Warns

PARIS — Willy Claes, secretary-general of the North Atlantic Treaty Organization, was quoted Thursday as saying that the West must avoid isolating Russia over its crushing of the rebellion in Chechnya.

In an interview with the French newspaper Le Monde, Mr. Claes said that ostracizing Russia over repression in Chechnya would only help hard-liners in Moscow and complicate an eventual expansion of NATO to include central European states seeking membership. (Reuters)

French Hairdressers Lose in Court

LUXEMBOURG — The European Court of Justice on Thursday upheld French rules requiring French hairdressers to hold a diploma, when those from other European Union states do not need one to work in France.

Seven French hairdressers, facing proceedings before a court in Charleville-Mézières for running salons without holding a national diploma, had argued that French law discriminated against them while favoring other EU nations. (Reuters)

Britons Balk at Single Currency

LONDON — A majority of Britons would vote against having a single currency in Europe, an opinion poll showed Thursday.

Seventy percent of those polled said Britain should have a referendum on the issue, which has caused bitter divisions in Prime Minister John Major's Conservative government and brought it to the brink of parliamentary defeat.

Asked for their voting intentions in a referendum, 51 percent said they would reject a single European currency. 26 supported the idea and the rest were undecided. (Reuters)

EU to Aid Somalia Water Project

BRUSSELS — The European Union announced Thursday that it would provide \$874,000 for a water purification project in the Somali capital, Mogadishu. The group's executive agency said the money would help restore a water pumping and purification station that serves more than half the population of Mogadishu. (AP)

Calendar

European Union events scheduled for Friday:

STRASBOURG: End of European Parliament plenary session in Strasbourg.

EDITORIALS/OPINION

Herald Tribune
INTERNATIONAL

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Don't Reward Serbia**The Five Are Wrong**

The five-power negotiating group on Bosnia — France, Britain, Germany and Russia, in addition to the United States — is offering to lift all remaining United Nations economic sanctions on Serbia. In return it asks Belgrade to recognize the independence of Bosnia and Croatia and cut off supplies to rebel Serbian armies in both countries.

That might be a reasonable proposal if Serbia's president, Slobodan Milosevic, had a record of honoring his commitments, or if the five-power group had a record of insisting on compliance with its deals. Neither is true.

The Clinton administration, which portrays itself as a reluctant partner in Europe's pro-Serbian strategy, should have rejected this latest diplomatic charade. The new humiliations it courts can only strengthen the hand of Senate critics like Bob Dole, the majority leader, who are pushing Washington to ditch its European allies and independently lift the arms embargo on the Bosnian government.

The latest offer to Belgrade comes as evidence mounts that Serbia has not lived up to the last deal it made with the five powers. Last year Mr. Milosevic pledged to stop supplying the Bosnian Serbs in exchange for a partial lifting of UN sanctions against Serbia. Recently Serbian helicopters have been brazenly flying supplies across the supposedly sealed border. Yet instead of reimposing the lifted sanctions there is an offer to eliminate

those which remain. The sanctions lifted last year were symbolic. Those now being discussed affect Serbia's ability to wage protracted war.

Washington's move in going along with the five-power plan was apparently fear that Croatia would expel UN forces from its territory, perhaps triggering a wider war. Serbian recognition of Croatian independence, in theory, might allow the UN troops to stay. It is a worthy, if elusive, objective, but the price is too high.

Bribing Mr. Milosevic to make peace was never the Clinton administration's preferred policy. Washington long and correctly argued that the world should let Bosnia defend itself by lifting the unfair arms embargo that tilts the battlefield balance toward the Serbs. Regrettably, the administration has all but dropped its efforts on the arms embargo in the name of NATO unity. But instead of strengthening NATO, the administration's passivity toward Europe has weakened it. American lawmakers are becoming disenchanted with an alliance in which American dollars and troops are welcome but American ideas are not.

Washington needs to reconsider this latest proposal to court the Serbs. Instead it should start pressing its allies to move together toward lifting the Bosnian arms embargo before the Senate forces separate American action. The time to talk about lifting more sanctions on Serbia will come when Serbia starts honoring its commitments.

— THE NEW YORK TIMES.

Seeking a Phony Peace

The United States and its partners in dealing with the old Yugoslavia have got it upside down. What they should be doing is putting more pressure on Serbia and the Serbian rebels it supports in Bosnia and Croatia. What they actually are doing is putting on less pressure by prematurely opening up the possibility of ending the already partly suspended, porous sanctions on Serbia that are in place.

This new sweetener concocted as its stated purpose to draw the Serbian regime of Slobodan Milosevic into formal acceptance of international peace plans for Bosnia and Croatia. But it was always implicit anyway that if Mr. Milosevic decided to rein in his wild ambitions for a Greater Serbia, the sanctions on him would fade away. Now to make it explicit — while he still cheats on his pledges, before he has shown a commitment to restraint — is to invite him to bargain the Contact Group down: to extract a large concession for a minimal policy change.

It is easy enough to grasp why the Contact Group finds itself in the weird position of proposing to suspend not the military embargo on the chief victim. A tragic irony is building. The danger now perceived by the Contact Group is that the war will spread. But the burden of constraining it is being put largely on the Muslims and, to a lesser extent, the Croats. They can fairly wonder whether they are not being asked to swallow huge Serbian incursions on their territory, viability and sovereignty for the geopolitical convenience of states far from the battlefield and substantially unaffected by its flows. Feeling abandoned even as their fundamental interests are threatened, Muslims and Croats may yet be confirmed in a judgment that they can satisfy their legitimate political goals only by military means. Seeking a phony peace, the United States and its partners may be stoking a greater war.

— THE WASHINGTON POST.

About Secretary Brown

Confronted with suspicious-looking financial dealings by one of his highest-profile cabinet officers, President Bill Clinton has responded with a debatable non sequitur. Ron Brown, he has said, has "been a great commerce secretary." As Mr. Clinton should have learned at considerable pain, slippery language is no way to treat a serious ethics question.

Whether or not Mr. Brown engaged in shady practices, the presidential brush-off suggests that the administration thinks it has something to hide. Abner Mikva, the White House counsel, met with Mr. Brown's attorney but, oddly, did not press for a detailed explanation. Clearly, Mr. Mikva has a duty to dig harder for the facts, and the president has an obligation to come forward with a thorough public accounting.

Representative William Clinger Jr., Republican of Pennsylvania, began trying a year ago to get Mr. Brown to explain some curious items on his financial disclosure statement. Mr. Brown, responding mostly through aides, has given inaccurate, incomplete and misleading answers. The central questions arise from his interest in a small investment and consulting business called First International Inc. and his complex transactions with his partner in the company, Noland Hill.

At the center of it all is a provocative mystery: How did Mr. Brown earn more than \$400,000 from the sale of his stake in the not-so-successful company, in which he says he invested no money and had little direct involvement?

He answers that it is not unusual for companies to pay prominent individuals for lending their names, prestige and advice to business ventures. But such spontaneous generosity by a small, troubled business does not seem commonplace at all. In any event, does Mr. Clinton believe

it proper for a commerce secretary to hold an interest in any business that depends on his name to open doors?

Another question is whether Mr. Brown complied with financial disclosure rules in reporting payments by Ms. Hill, supposedly as part of the sale of his interest in First International. She covered \$262,000 in personal debts for him and issued three checks of \$45,000 each from a separate and previously undisclosed company, First International Limited Partnership.

Congressional investigators are intrigued by the timing of the checks, which were written months before Mr. Brown says he divested his interest, in December 1993.

There are other perplexing angles, most notably Mr. Brown's relationship with another company owned by Ms. Hill, Corridor Broadcasting Corporation. Mr. Brown, through a spokesman, firmly denied any business ties to Corridor, which cost taxpayers \$23 million when it defaulted on a loan held by the Federal Deposit Insurance Corporation. But it turns out that Corridor and First International shared an office, and a promissory note from Corridor was First International's main asset. Mr. Brown asserts, implausibly, that he was unaware of these links to Corridor. Republican critics, meanwhile, ask whether the assets of Corridor were drained fraudulently or recklessly while the loan was in default, and whether Mr. Brown has any indirect link to the FDIC losses.

The Justice Department and the FDIC have opened their own inquiries. But that does not absolve the president from making an independent, public judgment about Mr. Brown's dealings. This, after all, is the administration that came to town promising that it would not tolerate smelly deals.

— THE NEW YORK TIMES.

UN Peacekeeping Was and Will Remain Invaluable

By Brian Urquhart

WASHINGTON — "As you know the United States ... has a strong interest in the early establishment of standby arrangements for a United Nations Peace Force. The interest of the American people in this concept is further demonstrated by the fact that during the past year resolutions were adopted by both the House of Representatives and the Senate calling for the establishment of a United Nations force."

Those words, written by an American secretary of state, John Foster Dulles, to a UN secretary general, Dag Hammarskjöld, provide a good measure of how different the climate in Washington is these days toward the idea of UN peacekeeping operations.

"I want to assure you that the United States is prepared to assist you in every feasible manner in strengthening the capacity of the United Nations to discharge its responsibility for the maintenance of international peace and security, a task to which you have already contributed so much," Mr. Dulles wrote in that 1958 letter.

Mr. Hammarskjöld responded cautiously. At that high point in the Cold War he feared that a standing UN force, actively opposed by the Soviet Union, would become a political football be-

tween East and West, destroying the fragile innovation of peacekeeping that he had pioneered during the Suez crisis of 1956 and the Lebanon crisis of 1958.

President Dwight Eisenhower and Secretary Dulles, on the other hand, evidently saw a standby UN peacekeeping capacity as being greatly in the interest of the United States.

In fact, just 18 months later President

Eisenhower, pressed by the new prime minister of the Congo for U.S. intervention there, adroitly referred him to the United Nations.

The resulting peacekeeping operation was widely regarded as an extraordinary success in dealing with the chaos there.

Since that time the United Nations has undertaken some 25 such assignments of varying sizes in different parts of the world.

Given the desperate origins of most of these operations, it is scarcely surprising that not all have achieved all their objectives. But it is worth noting that in the present controversy over peacekeeping, the successful operations — which constitute the majority — are seldom mentioned.

In recent months, for example, there

has been much discussion of placing U.S. troops in the Golan Heights as part of the Middle East peace process, but little mention of the UN Disengagement Observer Force, which has successfully presided over peace on the Golan Heights since 1974.

Somalia and Bosnia are constantly

invoked, but the Nobel Peace Prize of 1988 and later successes in Namibia, Cambodia, El Salvador and Mozambique are routinely forgotten.

The prevailing attitude in Washington toward UN peacekeeping these days seems to be a radical reversal of the earlier U.S. attitude. The impression is often given now that past U.S. support of these efforts was an aberration, a charitable and largely unwise gesture of condescension. But in fact, from Suez in 1956 to the present time, UN peacekeeping has far more often been a vital element of U.S. foreign policy.

During the Cold War it was vital to maintaining international peace and security, because, among other things, it kept regional conflicts out of the U.S.-Soviet orbit and lessened the potential of such conflicts for provoking nuclear East-West confrontation.

In the post-Cold War world, that motivation for supporting peacekeeping no longer exists. The United Nations' new involvements are for the most part in massive civil and ethnic conflicts where human, not international, security is involved, although such disasters often cause major destabilization in neighboring states as well as strong emotional reactions worldwide.

It is this change in the basic character of conflict that has led the more vocal opponents of United Nations peacekeeping to argue that there is little or no U.S. national interest in it.

But as Charles William Maynes has pointed out in testimony before the House Foreign Affairs Committee, to-

day's great powers are "like the most successful members of any community." He continued: "They have a stake in the general health of the community. They cannot and should not be the world's policemen."

Great powers have major economic and other interests in global stability, but find it increasingly unwise to intervene in their own regional conflicts. It was considerations such as these that underlay the enthusiasm of Mr. Dulles and Mr. Eisenhower for building up the peacekeeping capacity of the United Nations.

Even the most criticized UN operations, such as the protection force in ex-Yugoslavia, often serve as a useful pretext for avoiding more intensive U.S. involvement, and as a screen for differences with allies. Imperfect though they are, they also save thousands of lives.

UN peacekeeping can be, and will continue to be, an invaluable — even an indispensable — instrument of peace. Its capacity and effectiveness need to be strengthened, not diminished.

To be sure, new forms, rules and methods, including a training system, need to be developed. But the cost of peacekeeping, contrary to widespread belief, is small by comparison with the cost of massive military involvement, which timely peacekeeping often succeeds in making unnecessary. John Foster Dulles got it right.

The writer, a former UN undersecretary-general, is a scholar in residence at the Ford Foundation. He contributed this comment to *The Washington Post*.

Beyond the Peso, Mexico's Whole Development Strategy Is in Crisis

By Jerome I. Levinson

WASHINGTON — It did not take long for the peso crisis to escalate into a full-fledged national crisis for Mexico and its ruling party. Far from being just a short-term financial market phenomenon, the country's currency devaluation has been followed in rapid order by defeat in an important state election and by troubling developments with regard to the peasant uprising in the southern part of the country.

It is becoming increasingly clear that the development strategy being followed by Mexico is not viable, either within the country or for the United States.

To ignore this warning, as Washington mounts a rescue operation to get the government of President Ernesto Zedillo out of its current mess, is to invite an even more fundamental crisis in the future.

An explosive social and politi-

cal situation has been building for some time in Mexico. One reason for this can be seen in a central feature of the government's latest development strategy: an agreement by labor unions to wage

increases substantially lower than the inflation rate in 1995.

That agreement was possible because the official labor union confederations in Mexico are adjuncts of the ruling Institutional Revolutionary Party, more attuned to the political demands of the government than to the interests of their members. That is why they agreed to a "social pact" during the past seven years that often resulted in suppressing the real wages of workers.

Once again, as in the decade of the 1980s, Mexican workers who were assured that passage of the North American Free Trade Agreement would lead to higher wages and employment — are being asked to bear the brunt of an austerity program demanded by foreign creditors.

The regressive wage policy coincides with the question of land and its ownership. Land in Mexico is often communally owned by peasant communities, the *ejidos*. In order to prepare Mexico for

NAFTA, the predecessor government of Carlos Salinas de Gortari amended the constitution to permit the *ejido* lands to be divided among their members, making it easier for individuals to sell their land to larger, more efficient landowners better able to compete with U.S. and Canadian producers after a transition period envisioned by NAFTA.

This process displaced large numbers of poor peasants, fueling the peasant uprising in Chiapas and accounted for much of the sympathy that the southern uprising initially drew from rural areas in other Mexican states.

Moreover, a significant part of Mexico's small and medium labor-intensive manufacturing sector has been devastated by the open-import regime of NAFTA and Mexico's adherence to GATT. The result has been increasing concentration of economic assets in a relatively small group of Mexican conglomerates, accentuating glaring income inequalities.

All these things, combined with the response to the immediate financial crisis — accelerated entry of foreign banks and proposed distress sale of remaining state-owned assets to powerful private domestic and foreign investors — make for a politically combustible situation.

The loss of important elections in the state of Jalisco, and President Zedillo's stops and starts on dealing with the problem in Chiapas, could be just the first signs of domestic unrest that will make the peso crisis look like a tempest in a teapot.

The safety valve for the social and political tinderbox that is Mexico today has been emigration to the United States by the population displaced by Mexico's economic and social revolution. But California's Proposition 187 has made clear that this outlet valve cannot be counted on any longer.

At the outset of the devaluation crisis, President Zedillo reacted with commendable candor. "The development of Mexico demands that we recognize with all realism

that we do not constitute a rich country but a nation of grave needs and wants," he said.

That statement should be a departure point for a revamping of Mexico's development strategy.

Another should be this warning in a World Bank 1993 strategy paper concerning Mexico: "How the government responds to chronic poverty — and the possibly more visible and politically charged problem of a policy-induced deterioration in the distribution of income — may be critical to the continuing viability of its economic program."

Whatever the details of such a reconsideration, it is evident that the neoliberal economic model which has prevailed in Mexico, with its excessive dependence upon foreign portfolio and direct investment, cannot, in either Mexico or the United States, be politically or socially sustained.

The writer, a research associate at the Economic Policy Institute, contributed this comment to *The Washington Post*.

What Does NATO Propose to Be Doing South of the Mediterranean?

By Frederick Bonnard

BRUSSELS — NATO's recent offer of a direct dialogue with five countries south of the Mediterranean raised a ripple of excitement and a number of questions. Was an extension to the south envisaged to complement that to the east? Would the organization take a hand in the faltering Middle East peace process? Did it intend to become involved in violent confrontation in North Africa? Was it only trying to find an other role to justify its existence?

Allied diplomats say the initiative was intended merely to achieve better mutual understanding, inform Mediterranean governments about NATO's peacekeeping potential, and demonstrate its interest in security in an unstable region. Extension of this dialogue to other Mediterranean countries was envisaged for the

future. It was in keeping with alliances concerns to strengthen regional stability mentioned at the June and December 1994 foreign ministers' meetings. And action had been urged by French Defense Minister François Léotard at the informal meeting of defense ministers in Seville in September.

This is no doubt true as far as it goes, but it does not go far enough. The rub is in what has been left unsaid.

The approach was made to Mauritania, Morocco, Tunisia, Egypt and Israel. The two countries on the Mediterranean's southern shores omitted from it are Algeria and Libya.

NATO's southern members, in particular France, Italy and Spain, are under increasing eco-

nomic and demographic pressure from across the water. They worry about infiltration of terrorists and about the dangers to the large numbers of their nationals who live in those countries.

NATO points out that initial contacts are merely at ambassador level in Brussels, and that no further significance should be read into them. But a move such as this is highly political. So it is necessary to be clear about its aims, and to assess consequences.

The approach will be judged in the light of statements about the dangers of international terrorism on the one hand and proliferation of weapons of mass destruction on the other. NATO's secretary-general, Willy Claes, has called fundamentalism the greatest present threat. In a recent speech he pointed out NATO's inability to act independently of the United Nations if necessary.

The confrontation in Algeria is an increasing toll. External force may be considered essential to rescue foreign residents there, and perhaps to safeguard the supply of gas and oil to Europe.

Taken together, all this will have an effect on governments in the countries contacted as well as on those left out, and simultaneously on the various opposition movements, whether violent or democratic. Their interpretation of the NATO move is likely to be far-reaching. The alliance will be understood to be aligning itself with one of the sides in the ongoing troubles, and further action will then be expected of it.

The question that NATO should ask itself is what action it is willing to undertake in support of stability in the region, and whether it is able to carry it out.

Its peacekeeping record in the Yugoslav crisis — the first and only such activity — has come under considerable criticism.

NATO has correctly pointed out that this is unjust, as it did in fact carry out all that was asked of it, and its hands were tied by United Nations rulings. But the world has seen intervention as a failure to assume a role that it considers to be one of its major functions in the post-Cold War setting.

This judgment is based on a

ease, but the UNSCOM report of two months ago concluded that "the indications all point to an offensive program."

The UN commission thinks the Iraqis are not now producing germs for delivery, but is certain that Saddam has the equipment, material and expertise on hand to begin production of biological warfare agents as soon as inspectors are thrown out. The facility in Dura now innocently producing hoof-and-mouth vaccines

LEISURE

Homework for Road Warriors

By Roger Collis
International Herald Tribune

THE military maxim "Time spent in reconnaissance is never wasted" is sound advice for today's road warriors — especially when traveling to daunting or unfamiliar destinations. Travel should come down to careful planning and attention to detail. Always expect the unexpected.

There are two kinds of travel guides: those that help you plan your trip and those that show you how to survive and enjoy when you arrive. The trick is to build your own data base from several guides (not all are best for every destination) in order to get the right mix of background, insights and updates.

TIM (Travel Information Manual) is an essential source book for the frequent traveler. It is an austere 380-page trade lexicon of official requirements, procedures and restrictions for entering (and leaving) more than 250 countries, published every month in the Netherlands. The book provides exhaustive detail on immigration rules, passports, visas, health certificates, customs and currency rules for all nationalities. (TIM, PO Box 902, NL-2130 EA Hoofddorp, Netherlands. Tel: (31) 2503 7352; Fax: (31) 2503 7351)

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When it comes to specific cities, I recommend the **Insight Cityguide** series. These are colorful 250- to 300-page books packed with evocative photographs. They are sketchy on hard travel data and not always up-to-date, but are excellent back-

The Frequent Traveler

ground reading on people, politics, history, culture, cuisine and sightseeing. So far, there are 49 titles (Insight publishes nearly 300 titles, mainly country guides) — 21 cities in Europe plus numerous others. The 30 to 40 pages of "Travel Tips" at the back of each book might be worth tearing out and taking with you.

Most of these cities are covered by the smaller, more compact, **Insight Pocket Guide** series, which focus more on practical advice in getting around, with recommendations for sightseeing, hotels, restaurants and shops.

Lonely Planet guides, with more than 150 titles, have been a byword among backpackers and budget travelers since they first appeared 20 years ago. But they are a valuable source of accurate, no-nonsense information for business as well.

Lonely Planet's Arab Gulf States "travel survival kit" is the best guide to the region you can find. New titles include Japan, Northeast Asia, Southeast Asia, Hong Kong and Macau, and Canton.

The problem with most guides is that they cover the beaten track, but stop short on how to cope in more daunting destinations. You need an inside track — not only how to enjoy, but how to survive.

This is the aim of **Inside Tracks**, a "destination data base" consisting of con-

cise guides to 66 cities. Each guide runs to nine pages with maps, but no ads or pictures. Along with more predictable places, destinations include such gritty places as Accra, Addis Ababa, Algiers, Asuncion, Cairo, Dakar, Dar es Salaam, Harare, Lagos, Libreville, Lusaka and Managua.

What makes **Inside Tracks** especially useful is that reports are written by a network of local correspondents and are updated every six months. Correspondents range from diplomats and doctors to politicians and business people.

The guides start by summarizing the place's appeal (or lack thereof): Getting Along is about the mood and way of life; Getting Around covers practical points such as airport procedures, taxi touts and cost of transport; Getting Going is the place itself, what is best to see and avoid; Good Hotels, brief descriptions of up to 12; Good Food, notes on local cuisine and a few spots where you will find it; Good Nights, with emphasis on the local scene; Good Shopping, from stores to local markets; Good Timing, what to expect whenever you come. Reports are short on fantasy and long on facts.

Each guide costs £3 (\$4.65), plus postage per order of 50 pence airmail in Europe, £1 elsewhere, from Inside Tracks, 10 Hartwood Road, London W12 9NQ; tel/fax: (44) 81 749 0748.

THE guides that complement all others are **The Rough Guides**, with nearly 100 titles but only 11 city editions. The guides are only "rough" when it comes to paper and because they are aimed at the budget traveler. But they are no less sophisticated. The books are light and easy to pack and are full with an eclectic mix of culture, convention and "low life." You'll find no-nonsense sections on music and dance, theater and museums along with guides to street markets, bars, cafés and night spots, nuggets of history and politics.

A new generation of digital mapping programs emerging in the United States allows you to plan your trip by computer. A good way to start is with **Global Explorer** (\$69 on CD-ROM for Windows) from DeLorme Mapping, Lower Main St., Box 298, Freeport, ME 04032. Fax: (207) 865 9291. This enables you to explore the streets of 100 cities with the help of indexed references to more than 120,000 places shown on topographic maps. The maps enable you to zoom in and out through 15 levels of magnification.

With software like this, you may become a state-of-the-art armchair traveler.

HEAR THIS

■ Despite an increase in miracles, an upward trend in cults and conspiracies and the discovery of new animal species, 1994 was not as strange as the previous year — in fact, 2 percent less strange, according to the *Fortean Times*, a journal of odd phenomena. But then 1993 was a very weird year.

With software like this, you may become a state-of-the-art armchair traveler.

THE ARTS GUIDE

AUSTRIA

Vienna
Kunst-HausWien, tel: (1) 712-0495, open daily. To April 30: "Jean Dubuffet: Eine Retrospektive." 140 paintings, sculptures, drawings and collages covering the years 1918 to 1985.

BELGIUM

Antwerp
Musée des Beaux-Arts, tel: (3) 238-7809, closed Mondays. To Feb. 26: "Ernst Barlach." A retrospective of the works of the German sculptor who was associated with Expressionism. Includes works reflecting his sojourn to Russia and his experience in World War I.

BRITAIN

London
Dulwich Picture Gallery, tel: (181) 693-8000, closed Mondays. To April 30: "Poussin: Works on Paper." More than 60 drawings spanning Poussin's career, including his early work in Paris, his maturity in Rome and the rigorous drawings of the 1640s onward.
Museum of Mankind, tel: (71) 323-8525, open daily. To Dec. 10: "The And of Africa." A collection of approximately 130 objects from the late 19th and early 20th centuries documenting the life of the minority living in the northern island of Hokkaido.
Royal Academy of Arts, tel: (71) 494-5615, open daily. Continuing To April 9: "Nicolas Poussin." More than 80 paintings by the 17th-century French painter. Poussin drew his subject matter from biblical, historical or mythological sources. Related exhibitions are organized at the Wallace Collection, the Dulwich Picture Gallery and the National Gallery.
Manchester
The Whitworth Art Gallery, tel: (61) 273-4865, closed Sundays. To April 17: "Master Drawings from the National Portrait Gallery." More than 100 portraits, watercolors, sketches and caricatures demonstrate the role of drawing in British portraiture. Includes works by Gillray, Gainsborough, Millais, Sargent and Kite.

CANADA

Quebec
Musée du Québec, tel: (418) 846-3330, closed Mondays. To May 14: "L'Art Québécois de l'Estampe: 1950-1990." Bears witness to the development of the art of printmaking in Quebec. Illustrations of the major contemporary art movements (Surrealism, Abstraction, Pop Art, Op Art, Hyper Realism, etc.), the main creative manifestations which have marked Quebec art.

FRANCE

Paris
Centre Culturel de Boulogne-Billancourt, tel: (1) 47-12-77-95, closed Sundays. To May 13: "Montagnards — Peas of Indochine." More than 300 items documenting ways of life and culture in the mountain valleys and plateaus of former Indochina.
Musée Cernuschi, tel: (1) 45-62-50-75, closed Mondays. To March 14: "Japan, Savours of Edo: La Céramique du Daï et les Arts Idemitsu." An exhibition of utensils used in traditional tea ceremonies, including Chinese and Japanese ceramic tea bowls, sake cups and flower vases.
Musée d'Orsay, tel: (1) 40-49-48-14, closed Mondays. Continuing To April 30: "Whistler, 1834-1903." Features 66 paintings, including "The Little White Girl" and "Portrait of the Artist's Mother." 100 drawings, engravings and watercolor-



Barbara Hepworth's sculpture, in Connecticut.

ors, as well as 20 pastels by the American painter.

GERMANY

Berlin
Amerika Haus, tel: (30) 310.00.10, open daily. To March 14: "Die Amerikaner." A collection of approximately 150 objects from the late 1950s and early 1960s depicting American life as seen by the photographer who adapted to fame in the 1950s while working for the Magnum Photo Agency. The exhibit displays black-and-white photographs of state fairs, mobile home communities, and hitch-hiking hippies.

Kunstbibliothek, tel: (30) 266-2028, closed Mondays and Sundays. To March 3: "Peter Paul Rubens." Features 150 sketches created after Rubens' visit to Luxembourg in 1635.

LUXEMBOURG
Musée National d'histoire et d'Art, tel: (49) 330-214, closed Mondays. To May 26: "George Grosz: Berlin-New York." A retrospective of 50 paintings and 250 works on paper. Grosz was a founding member of the Dada group in Berlin in the 1920s. His works depict life in Berlin and in his adopted second home, New York. The exhibition will travel to Düsseldorf.

JAPAN
National Museum of Modern Art, tel: (30) 265-330-214, closed Mondays. To March 3: "Reinhard August Stoer." 150 sketches from Stoer's travels. It includes works from the Kunstabteilung, Berlin, the Prussian Castle Foundation, and the Berlin-Brandenburg.

NETHERLANDS
Museum voor Volkenkunde, tel: (10) 441-2201, closed Mondays. To May 28: "The Emergence of Indonesia." Photographs by Ces Oorthuys and Charles Breitner. An Indonesia celebrates the 50th anniversary of independence, a display of 80 photo prints, taken in Indonesia between 1947 and 1949, which reflect the colonial process of this country.

SPAIN
Museo del Prado, tel: (1) 420-28-36, closed Mondays. To April 30: To celebrate its 175th anniversary, the Prado displays a range of Spanish drawings selected from its own collections. Drawings dating from the

15th to the 18th century are by Juan Gómez, Gaspar Becerra, Juan de Juanes, and Ribera, among others.

SWEDEN

Stockholm
Nationalmuseum, tel: (8) 666-4250, closed Mondays. To May 1: "Stilleben." A selection of works by still life artists from the mid-16th century to the present time. It includes Flemish "vanitas," kitchen scenes by Zurbarán, "natures mortes" by Chardin and 20th-century still lifes by Morandi, Braque and Picasso, among others.

SWITZERLAND

Pully/Lausanne
Musée d'Art Contemporain, tel: (21) 729-91-46, closed Mondays. To May 15: "Benneton par Toscane." Presents the various media supporting Benneton's advertising campaigns including billboards and catalogues.

UNITED STATES

Chicago
The Art Institute, tel: (312) 443-3600, open daily. Feb. 18 to May 28: "Gustave Courbet: Urban Impressionist." A commemoration of the 100th anniversary of the painter's death, with 89 paintings and 28 works on paper.

New Haven, Connecticut
Yale Center for British Art, tel: (203) 432-2850, closed Mondays. To April 9: "Barbara Hepworth." More than 70 carnelians and bronzes, and 20 drawings spanning nearly 50 years of the British sculptor's career. Barbara Hepworth, together with Henry Moore and Ben Nicholson, brought international recognition to British sculpture. The exhibition will travel to Toronto.

New York
Metropolitan Museum of Art, tel: (212) 570-3791, closed Mondays. To May 14: "R.B. Kitaj: A Retrospective." 100 works by the American artist who has worked in London for more than three decades. Themes refer to Kitaj's years as a merchant seaman, to the history of film, and to the recognition of the artist's Jewish heritage. The exhibition will travel to Los Angeles. Coinciding with the Metropolitan retrospective, Marlborough Gallery is exhibiting recent work until March 4.

New Orleans, tel: (212) 219-1222, closed Mondays and Tuesdays. To April 8: "Andrés Serrano: Works 1983-1993." Features 50 large-scale photographs, including the early allegorical tableaux, the "body fluid" series of abstract compositions, the "Mongue" series of human cadavers, and a selection from the "Objects of Desire" series.

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And the perfect place for our advertisers to get more out of the International Herald Tribune, too.

For summaries of the surveys from which these facts are taken, please call, in Europe, James McLeod on (33-1) 46 37 93-81; in Asia, Andrew Thomas on (65) 223 6478; in the Americas, Richard Lynch on (212) 752 3890.

Source: 1. VWA Survey, Q2 '92. 2. Reader Survey '94.

AT A GLANCE: GOOD TRAVEL DEALS

Carrier/Hotel	Location	Deal
ALLSON HOTEL	Singapore	Business Package provides room for 350 Singapore dollars (\$240) plus 10 percent service - welcome drink and fruit platter, American buffet breakfast, late checkout until 3 P.M. and a credit of 30 dollars a night toward food and beverage, phone calls and faxes or laundry Until March 31.
AIR CANADA/ RADISSON HOTELS	Canada	Aeroplan FFP members booking rack, corporate or worldwide-hospitality-program rate at any Radisson in Canada receive 1,000 Aeroplan miles instead of 500. Until April 16.
BEST WESTERN	Massachusetts	Winter Ski Package at Black Swan Inn in Lee, Massachusetts, includes room for two for one night, dinner and Continental breakfast and one-day lift tickets to Jiminy Peak in Hancock or Butternut Basin in Great Barrington for \$199. Until March 31.
HERITAGE HOTEL	Manila	Single and double executive-floor rooms for \$135 a night include Continental breakfast, local telephone calls and pressing of a suit or dress each day.
HILTON	Europe	Two for One weekend promotion offers two nights for price of one, plus breakfast, at hotels in 27 cities.
HILTON	Hong Kong	Executive Privilege Package: 1,750 Hong Kong dollars (\$225) a night for a single or double on executive floor includes breakfast, afternoon tea and cocktails, use of two conference rooms, health club and use of portable phone. Until April 30.
HILTON/CONRAD	Worldwide	Pay with an American Express card and earn both double Hilton HHonors points and double miles with partner airlines in Double Dip promotion. Until April 30.
JAPAN AIRLINES	Worldwide	Members of JAL frequent-flier programs now earn 1,000 points per stay at 38 Nihon hotels.
MOVENPICK HOTEL	Beijing	Single or twin rooms are \$73 a night, with 10-day advance booking Until March 31.
OKURA HOTEL	Tokyo	Business Plan offers savings of around 20 percent: a room-only rate of 26,500 yen (\$265) plus tax, or an inclusive rate of 32,000 yen with taxes, service and breakfast. Until March 31.
THE ORIENTAL	Singapore	Executive-floor singles \$145 and doubles \$165 a night with American breakfast, fruit and flowers and 6 P.M. checkout. Until March 31.
PASSAGES	Worldwide	Members of Passages FFP can now earn points with Delta Air Lines, Diners Club and All Nippon Airways.
RAIL PASS	Japan	A seven-day Japan Rail Pass costs 27,800 yen (\$280) for unlimited travel on any JR service, including the Bullet train, except the Nozomi.
RITZ-CARLTON	New York	Winter in the City package for \$350 per night in "superior" room and \$425 per night in Central Park-view room (single or double) includes sweatshirts, cocktails, American breakfast and use of fitness center. Friday, Saturday or Sunday. Until April 2.

Although the INT carefully checks these offers, please be forewarned that some travel agents may be unaware of them, or unable to book them.

Herald Tribune

INTERNATIONAL

Israel to Ease Border Strictures**Rabin Also Seeks to Create Jobs in Territories**

By Clyde Haberman
New York Times Service

JERUSALEM — In an attempt to revive stalled Middle East peace talks, Israel agreed Thursday to loosen border restrictions that have kept many thousands of Palestinians out of work, and said it was ready for "intense negotiations" with the Palestine Liberation Organization.

The Israelis announced that starting next week they would allow 10,000 laborers from the Gaza Strip and 5,000 from the West Bank to return to jobs that they had held in Israel until the borders were shut last month, after a Palestinian suicide bombing that killed 21 Israelis.

The numbers were far smaller than the 50,000 or more Palestinians who entered Israel each day before the ban.

But easing the entry ban, if only by a little, was the top priority for Yasser Arafat, the PLO leader, and he left a meeting Thursday with Prime Minister Yitzhak Rabin at Gaza's north end having accomplished something.

In addition, Mr. Rabin said he was ready to immediately set up at least five industrial parks inside the territories to create jobs for Palestinians as substitutes for work in Israel.

"If the problem there isn't solved, there will be distress, unemployment and even hunger, and this can create problems that will influence security," the Israeli prime minister said.

Mr. Rabin also said he had suggested that the Palestinians rapidly expand their self-rule authority by taking over the town of Jenin, in the northern tier of the West Bank. The Palestinian Authority led by Mr. Arafat now controls only Gaza and the small West Bank district of Jericho.

But the prime minister was prepared to put the Palestinians in charge only of municipal services and economic affairs, keeping security in Israeli hands. Israel's armed forces would stay in Jenin

as well as in the rest of the West Bank besides Jericho.

From Mr. Arafat's vantage, it was a bad deal. Since his aim is to get the Israeli Army out and to hold Palestinian elections, he did not show "a great deal of enthusiasm" for the proposal, as an Israeli official put it.

The Palestinian leader's reaction suggested that the two sides still have a long way to go before coming to terms on the basic issue in extending Palestinian self-rule: how to solve the complex problem of moving Israeli soldiers in the West Bank.

Jewish settlements and Arab towns stand explosively cheek by jowl in many places, and a series of Islamic suicide attacks that have claimed almost 60 Israeli lives over the last few months has hardly persuaded Mr. Rabin that he can easily withdraw his soldiers without raising safety fears and damaging his already tenuous standing in *opinion polls*.

A senior aide to Mr. Arafat, Tayeb Abdul Rahim, said the Palestinian Authority was ready to accept a "gradual redeployment" of soldiers as long as it did not take longer than three months. But an official close to Mr. Rabin said there had been no discussion of that at the meeting Thursday.

Participants said that there were fewer tensions than in other recent meetings between the two leaders. Mr. Arafat avoided reporters, but Mr. Rabin said both sides had agreed to hold "intense negotiations so as to overcome our differences on security issues, elections redeployment, empowerment."

To the PLO, reaching quick agreement on these matters is crucial; for popular support has been melting away as the months passed without tangible progress on stretching Palestinian rule beyond the narrow, troubled confines of Gaza and Jericho. Elections, for example, are more than seven months overdue, with no date in sight.

Tracts from the Armed Islamic Group, one of the most

violent armed groups that has been fighting to topple the Algerian government since 1992, claimed responsibility for the attack.

Tunisia denied the report, saying it was meant to damage the country's stability, which rests in large part on tourism.

Tunisia has been far and away the Arab country that has been most successful in stemming the tide of fundamentalism sweeping the region. It enforces a total separation of Islam from the state, banning

the wearing of the veil by women at work and school and jailing Islamic activists who express religious or political opinions.

But the North African country shares a long border with Algeria, which has been in turmoil for three years.

Although Tunisian authorities have taken Draconian measures to prevent any spillover of the conflict, Islamic fundamentalists in Algeria have repeatedly warned Tunisia to stop cooperating with other North

African and Arab countries in the fight against fundamentalism.

A spokesman for the Tunisian government, Moncef Ben Temessek, director of the Tunisian Information Agency, said Thursday that the border incident had been nothing more than a "simple traffic accident."

Algerian affairs experts, however, said an attack was launched last Saturday by the Islamic Armed Group at Tamerza, in the southern part of

Tunisia, to embroil that country in the Algerian conflict and frighten away tourists.

In a fax sent to several Arab dailies, the Armed Islamic Group of Algeria said its guerrillas had carried out the raid, killing seven Tunisian border guards.

The Armed Islamic Group, reckoned to be the most violent of several Islamic armed factions battling the Algerian Army, said its men had infiltrated a few kilometers inside Tunisia.

Algerian Islamic Guerrillas Carry Out Raid in Tunisia

By Youssef M. Ibrahim
New York Times Service

PARIS — Algerian Islamic fundamentalists launched an attack on neighboring Tunisia, killing at least five Tunisian border guards before seizing their weapons and car and slipping back into Algerian territory a few days ago, it was confirmed here Thursday by French and Algerian affairs experts.

Tracts from the Armed Islamic Group, one of the most

PESO: Rush to the Credit Line as Currency Weakens

Continued from Page 1

more missed payments by indebted Mexican companies — renewed fears among investors that Mexico's liquidity crisis was escalating and sent the peso into a tailspin against the dollar Wednesday.

In New York, the dollar ended at 6.0850 pesos, up 12 centavos on the day. But the dollar was down from a high of about 6.10 pesos earlier in the day, as the diplomatic and financial maneuvering aided the Mexican currency.

Mexican stocks slumped, however, and the anxiety spread to stock markets in Argentina, Brazil, and Chile, whose markets also dropped even though they do not have Mexico's short-term debt problems.

The debt problems largely arose because Mexico ran low on foreign currencies, reflecting its big trade deficit. The country had been importing goods with an overvalued peso, keeping its living standards high but making it vulnerable to a financial crisis as soon as investors began to worry about the foreign reserves.

What is happening in Mexico now is a cash crunch that had been foreseen as sky-high interest rates to protect the peso from falling squeezed Mexico's banks as well as companies. The rates were up to 40 percent Wednesday after the Sidek announcement.

Earlier completion of the rescue package might have forestalled this, because its purpose is to convert short-term foreign debt into loans of three to five years that can be paid back as Mexico's trade deficit narrows and its economy grows. But the delay has sapped confidence in Mexico's financial structure.

"It's not a peso problem anymore," said Lawrence Goodman, Latin American specialist at Salomon Brothers Inc. in New York. "It's a liquidity problem now. The government has been helping the banks pay off their tesobonos by exchanging them for short-term peso debt, and now others need cash. It's a problem of too many pesos chasing not enough dollars."

Geoffrey Dennis of Bear Stearns & Co. said he believed Grupo Sidek was trying to force the Mexican government into offering some kind of financial bridge so that it could repay its dollar debt later, when Mexico's currency had recovered and the peso cost of repayment would be reduced.

"We do not believe this is the first of a long series of defaults," Mr. Dennis said. Indeed, several Mexican companies issued statements that they were ready to pay their dollar debts or had already deposited money in American banks to do so.

The tesobono redemption planned for next week is being

done "with the purpose of continuing reducing the number of tesobonos outstanding," the Mexican government said.

A U.S. Treasury official said Washington supported Mexico's plan to redeem the tesobonos. "The Mexican authorities have consulted with us. The Treasury and the Federal Reserve endorse this use of part of the resources that were provided to Mexico earlier," the official said.

Robert D. Hormats, a former U.S. financial official and the vice chairman of Goldman Sachs (International) Inc., said the redemption plan was "a confidence-builder, because it gives investors a sense of stability in the market, that the government is able to buy back these things."

Mr. Hormats called the move a "time-honored tradition" that when an issuer thinks the market price of its outstanding bonds is too low, it buys it back, "just like a stock buyback by a corporation." He said the message being sent to markets was, "Look, the Treasury, the Fed and the Mexican authorities are saying there are a lot of bumps, but we are working together."

But a European financial official, who did not want to be identified, said: "The technical measures alone may not do the trick. There is a huge amount of money available, but the real question is how fast Mexico can come up with a convincing economic program."

This will be the third time this year the Mexican government has offered to buy back tesobonos before they mature, according to Bloomberg Business News. On Jan. 16, Mexico's central bank repurchased \$1.06 billion; a week later it bought \$1.43 billion.

The debate over the development plan is another twist in the government's continuing struggle with its Shiite population, elements of which rose up against Mr. Saddam's rule in

Israel's Ex-Cairo Envoy Named to Amman Post

Reuters

JERUSALEM — Israel has appointed its first ambassador to Jordan four months after signing a peace treaty with the kingdom, a Foreign Ministry official said Thursday.

The former Israeli ambassador to Egypt, Shimon Shamir, will head for Jordan in a month, pending confirmation by the Foreign Ministry appointments committee, the official said.

KARBALA: Restoring Mosques

Continued from Page 1

gious institutions, by destroying them if necessary.

Among their evidence is the government's urban renewal effort in central Karbala, which has included the razing of historic houses and Shiite community centers around the mosques.

"It is tantamount to someone going to the center of Rome, destroying all the monasteries and the churches and replacing them with casinos and restaurants," said Yusuf Khoie, whose grandfather, Ayatollah Abu Qasim Khoie, was a leading Shiite spiritual figure until his death in 1992.

Mr. Khoie, who runs a London-based foundation, said in a telephone interview that the Iraqi government has rebuffed the foundation's offer to help finance rebuilding of the community centers.

The debate over the development plan is another twist in the government's continuing struggle with its Shiite population, elements of which rose up against Mr. Saddam's rule in

March 1991, during the chaotic aftermath to the Gulf War, and briefly controlled major southern cities.

The government has since tried to create an impression of harmony with the Shiites, beginning restoration work on the shrines within months of crushing the rebellion. Today the Hussein and Abbas mosques gleam as brightly as ever.

Reconstruction has been followed by a surge in visits, which peaked last September with the arrival of about 8,000 members of the Shiite Bohra sect, based in Bombay.

But to Mr. Khoie and other opposition critics, the reconstructions belie a government crackdown.

Recent UN reports on human rights in Iraq have cited the regime's failure to account for 105 Shiite religious scholars and family members arrested in March 1991, and there are accusations of government involvement in the death of Mohammed Taqi Khoie, a son of the late ayatollah who died in July in a car crash.

FRANCE: Balladur Unbeatable? Not So Sure Now

Continued from Page 1

the cumulative impact of these incidents will shift the course of the campaign or even stick to Mr. Balladur, who until now has enjoyed immunity from suspicion of corruption and cronyism.

But the risks that the new money carries for him were pinpointed by a French journalist, Denis Jeambar of Le Point magazine. In contrast to the ups-and-downs of American presidential elections, the journalist said, "French candidates who lose a commanding lead never get it back."

Mr. Balladur, who has stuck with his bland, almost bloodless style on the assumption that it is reassuring for the French made a poor impression this week in presenting a vague presidential program.

So far, Mr. Chirac has failed to make much headway with his attacks on Mr. Balladur, partly

because he has to contend with criticism that his personal ambitions have led him to flirt with the French left. His campaign may turn on the impact of a speech Friday laying out his own program.

Although most voters expect Mr. Balladur to become president, there has been consistent evidence in polls that only about one-third intend to vote for him. That leaves a floating vote that might deny him the election.

For investment information

Read the MONEY REPORT every Saturday in the IHT

YELTSIN: Defending a War

Continued from Page 1

protection for domestic industry and said the state must still subsidize agriculture.

He urged restraint on spending, but said the government must find a way to restore the inflation-ravaged savings of millions of Russians, must fully finance the military and must raise salaries because of the high cost of living — a circular prescription for more inflation.

"The social costs of economic policy are still too high," Mr. Yeltsin said, urging a nationwide minimum standard of living and saying, "1995 must become the year of filling economic reform with social content."

But since he first made the same plea in December 1993, the government has done little to change its spending to reduce support of production and create a social security net.

Mr. Yeltsin also railed against crime and corruption, especially in the huge bureaucracy that has been a bedeviling feature of Russia since long before Gogol wrote "Dead Souls."

At the same time, his own presidential apparatus, a form of court, has grown to include several thousand officials who are seeking ways to finance themselves outside the budget and the scrutiny of Parliament.

Mr. Yeltsin blamed soft sentences and weak judges for hindering the fight against crime, though judges argue that many laws needed to deal with the new world of economic crime have never been passed, so cannot be enforced.

On Chechnya, Mr. Yeltsin said, "Our state turned out to be unprepared for effective military action," adding, "This is the cause of casualties, here lies the roots of the violations of the rights of citizens in the course of the military operations."

But he dropped from his text the following: "We must transform the destructive energy of the Chechen crisis into the potential for forthcoming changes in the institutions of power, in the army and in political and state practice."

Mr. Yeltsin also repeated his opposition to NATO expansion.



Boris N. Yeltsin accepting documents from the ultranationalist Vladimir V. Zhirinovsky on Thursday after the Russian president's state-of-the-nation speech to Parliament.

Moscow in May? Unlikely, Aides Say

By Douglas Jehl
New York Times Service

WASHINGTON — Aides to President Clinton said Thursday that he was not inclined to accept an invitation to travel to Moscow in May for a summit meeting with President Boris N. Yeltsin.

Even after praising much of what Mr. Yeltsin said in his state of the nation speech before the Parliament on Thursday, the aides said that Mr. Clinton would prefer to delay his next trip to Moscow, for two reasons.

For one, they said, Mr. Clinton wants to avoid any likelihood of being in Russia while troops remain in the secessionist Chechen republic.

Secondly, the date proposed by Mr. Yeltsin

would put Mr. Clinton at the center of ceremonies celebrating the allied victory over Nazi Germany, and the president might be expected to attend V-E celebrations in other European capitals even as Congress is pressuring him to direct his attention at the United States.

It has been a full month since Mr. Yeltsin extended his invitation. But the White House spokesman, Michael McCurry, would say Thursday only that diplomats from the two countries were still discussing the best time for a meeting between the two leaders.

But Mr. McCurry did suggest that some date after Mr. Yeltsin's May 8 recommendation "might be more helpful in terms of the relationship," particularly "if an impediment like the conflict in Chechnya is successfully resolved."

"This is a difference that involves cognition," she said. "And it is the most complex of

human functions. Reading is the pinnacle of what humans can do."

It is a huge step in a comprehensive research program that is allowing scientists to understand why some children and adults have such difficulty learning to read and it has immediate implications for tests for reading disabilities and strategies to overcome them, he said.

The tesobono redemption planned for next week is being

BRAIN: View of Brain Activity Proves Women and Men Think Differently

Continued from Page 1

that women's brains are better at this task than men's, or vice versa.

Although the men and women used their brains differently, she added, the fact that they sounded out words equally well means that "the brain has a lot of different ways to get to the same result."

Dr. Elizabeth Hampson, a

neuroscientist at the University of Western Ontario, said the finding "provides definitive evidence" that men and women can use their brains differently to perform the same task.

"Nothing was conclusive until now," she said. It means, she said, "we should be open to that possibility in other areas of the brain as well."

Dr. Shaywitz said she was particularly surprised to see differences between

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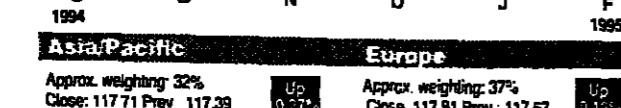
THE TRIB INDEX: 109.95

International Herald Tribune World Stock Index, composed of 200 internationally investable stocks from 25 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.

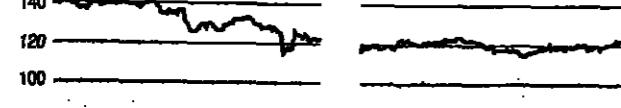
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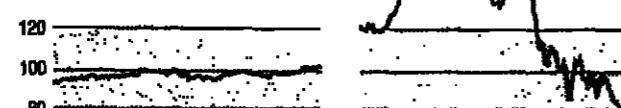
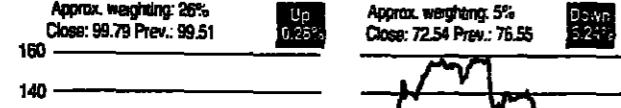
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MARKET DIARY

Blue-Chips Inch Up To a Record High

Compiled by Our Staff From Dispatches

NEW YORK — U.S. blue-chip stocks edged up to a second consecutive record high Thursday, but the broader market slumped as investors took profits amid concerns the market may have topped.

A last-minute surge took the Dow Jones industrial average

Foreign Exchange

1.35 points higher to 3,987.52, but losing issues outnumbered gainers by a 13-to-8 ratio on the New York Stock Exchange.

The Dow was underpinned by sentiment that corporate earnings would benefit from a sustained economic expansion, but the broader market was unconvinced.

"The market's had a fairly extended advance without much of a comeback," said Ricky Harrington, market analyst at Interstate/Johnson Lane. "I don't think it's a foregone conclusion we'll go through 4,000 here."

Many investors are skeptical about whether the Federal Reserve Board had finished raising interest rates. Higher rates can choke off corporate profit.

While Robert Forrestal, president of the Atlanta Federal Reserve Bank, said Thursday that the central bank's rate increases two weeks ago may be the last in this economic cycle, the Fed chairman, Alan Greenspan, said Wednesday that he was still concerned about inflation and questioned recent signs that the economy was slowing.

A weak dollar and a downturn in Treasury bond prices also dragged on the stock market. The price of the benchmark 30-year issue slipped 5/32 point, to 100 20/32, taking the yield to 7.57 percent, up from 7.56 percent Wednesday.

RJR Nabisco was the most active issue on the Big Board, slipping 4 to 5% a day after announcing its first common stock dividend since 1989 and proposing a reverse stock split to shrink the number of shares outstanding.

Hewlett-Packard led a rally in technology issues, rising 10% to 115% after reporting stronger first-quarter net income than analysts expected, marking the fifth straight quarter of results that exceeded expectations.

Hewlett also said its printer business remained strong, which lifted Adobe Systems 2 to 34%, because Adobe receives royalties from laser printer makers that use its Postscript printer language.

Motorola rose 2% to 64 1/2, and Intel rose 6% to 79%.

Telephone stocks were weak, with AT&T losing 1 to 5% on expectations for the company to lower its rates to compete with MCI. MCI fell 1% to 194.

Chemical stocks were weak, with Dow Chemical losing 1% to 65% a day after losing a liability case related to breast implants it manufactures.

Monsanto lost 1% to 76 1/2, and Union Carbide dropped 1 to 28.

Baxter International rose 3% to 31 after it said its health-care unit was renegotiating a distribution agreement with Immu Corp. for its Prosober product. Immu lost 1% at 1/4.

Sears rose 1% to 47% after it said it would exchange all of its so-called mandatorily exchangeable preferred shares for common shares. Sears said the exchange should not affect earnings per share.

YPF Sociedad's American depositary receipts lost 1/2 to 19 in step with weakness in the Argentine stock market.

(AP, Bloomberg, Reuters)

DOLLAR: Malaise Taking Hold

Continued from Page 11
after its decision to commit \$20 billion of the Treasury's intervention money to support Mexico.

Nonetheless, Mr. MacKinnon said that questions about intervention were secondary to

U.S. Stocks

the fact that the dollar is losing its allure just on the basis of interest-rate comparisons.

Yields on 10-year U.S. government bonds are less than 10 basis points, or 0.10 percentage point, higher than on 10-year

German government bonds. In early December, there was a 60 basis-point differential.

Mr. MacKinnon sees the dollar headed for record low of 1.25 DM within a year, and to a new low of 90 yen. But Joe Prendergast, an analyst at Paribas Ltd. in London, sees the dollar slipping only to around 1.45 DM before long-term investors step in to give it support.

Traders and analysts attributed the yen's gain to the approaching end of Japan's fiscal year in March.

WORLD STOCK MARKETS

Agence France Presse Feb. 10

Class Prev.

Amsterdam

ABN Amro Hldgs

ACF Holdings

Aegir

Akzo

Aldi

Alfa Romeo

Alfa Romeo

Alstom

Alst

Deutsche Telekom Moves to Update Its Internet Link

Reuters

BERLIN — Deutsche Telekom AG announced Thursday plans that could soon give millions of Germans access to the Internet.

Together with a group of companies including International Business Machines Corp. and Microsoft Corp., Telekom has developed a software based on Microsoft's Windows that makes its archaic DateX-J system more user-friendly.

DateX-J is a text-based computer network that requires its users to type in lines of text to navigate the unwieldy system.

Online services that use Windows format, allowing users to point at an item and choose it, have become increasingly popular.

The new service, to be called Telekom Online, will offer subscribers German-language computer services ranging from home shopping to online publications, including many of Germany's leading magazines.

There are an estimated 30 million people connected to the Internet, an international web that links computer networks.

Telekom will distribute free software for Telekom Online to all DateX-J users in order to encourage use.

Telekom hopes to head off an invasion of its home market by U.S. online computer services such as CompuServe. The company said it wants to form close

ties to an American online network, and prefers Marvel, a service Microsoft plans to make available through a new version of Windows.

It is also talking to AT&T Corp.'s Interchange, to be launched later this year.

"At the moment we are talking to all the big online networks, including Microsoft. We are talking about Marvel," said Horst Gellert, a Telekom board member.

He would give few details about Telekom's plans but said the company wanted to have a strong American partner to share in future U.S. developments in software.

■ Information Age Session

Ministers from Europe, North America and Japan will meet next Friday in Brussels to talk about strategy for managing the "information society," Reuters reported from Brussels.

The ministerial conference was planned by the G-7 countries — Britain, France, Germany, Italy, Japan, the United States and Canada — as a forum for addressing the legal, technical and social implications of the rapid expansion and improvement of information technology.

Hosted by the European Commission, the ministers will be advised by more than 40 chief executives from technology companies.

German Quest: Shelf Space

By Miriam Widman
Special to the Herald Tribune

BERLIN — When Werner Kuschla asked a major German supermarket chain whether it would put his company's sausages and cold cuts on its shelves, he was told:

"Sure — pay more than 1 million Deutsche marks (\$63,000) and your products will have first priority for buyer in the hope of introducing

And money may be only part of the problem. Mr. Memmert said it was almost impossible for East German producers to get an appointment with a supermarket

buyer in the hope of introducing

"I told them to forget it," said Mr. Kuschla, sales director of Luckenwalder Fleischwaren GmbH, an East German producer. "We don't have that kind of money."

Mr. Kuschla's problem is a common one, say food producers in Eastern Germany who claim their products cannot compete with those of Western producers because of a comparative lack of financial resources and contacts within the countrywide industry.

Buyers for supermarket companies, pointing out that so-called listing fees — upfront payments to retailers to ensure shelf space for products — are required for everyone, insist that no favoritism is shown to West German producers. But those in the East say that a well-established food producer in the West has more money and is in a better position to pay and to sell products.

Manfred Memmert, director of Süssmost & Weinkeltei Reichard GmbH, an East

ing a new product. I'm still hoping to get my products listed," he said.

Other East German producers have called the system "supermarket mafia" that caters to richer West German suppliers.

Heinz Fassbender, a director at Rewe AG, a countrywide market chain, said he couldn't think of any measures his company could take to promote East German goods. But he acknowledged that connections were of paramount importance.

Sabine Mielke, a director at

Forschungsstelle für den Handel, an independent research group, said that part of the problem was the West German food industry's maturity.

She said relative newcomers — such as East German producers — were in the position of having to develop better, more innovative products.

"If you've come up with the 43rd variety of liverwurst, you're not going to make it," she said.

She added that East German producers were virtually unknown in the West and that packaging in the East — usually plain wrappers with little or no design — was often not as eye-catching as that in the West. East German goods have also long had a poor reputation for quality in the West, she said, an image that takes time to live down.

Other analysts said that East German producers were still learning marketing skills that have long been standard in the West.

To help Eastern producers, the state of Brandenburg has supported a handful of stores that have agreed to feature products from Eastern regions.

Horst Faber, president of the State Association for Food Retailers in Brandenburg, said the real problem stemmed from Germany's underdeveloped wholesale sector. He said there had been too much consolidation in Germany's supermarket chains.

Kleinwort Says Bonds Hurt Profit

LONDON — Kleinwort Benson Securities said Thursday that its pretax profit fell 13 percent as a drop in profit from trading stocks and bonds offset gains in fees from mergers and advisory work.

The banking company said it earned \$97 million (\$51 million) in the year, down from £11.7 million in 1993. The year-earlier profit included a one-time gain of £2.2 million.

The company raised its 1994 dividend to 21.5 pence a share from 18.5 pence in 1993. But the dividend increase did not overshadow the bottom line for investors, who sent Kleinwort's stock down 8 pence to 631.

Lord Rockley, chairman of the company, said 1994 had been a successful year given the background of unsettled markets and difficult trading conditions because of a change in interest rate cycles in the United States and Britain.

"Although markets have been unsettled, we have achieved an increased share of customer business in all the major equity markets in which we operate," Lord Rockley said.

Kleinwort said income from trading fell to £43.3 million from £104 million in 1993. That drop more than offset an increase in income from fees and commissions, which rose to £310 million from £271.5 million.

Lord Rockley said the environment for trading had not improved so far this year.

"At the moment, it's fair to say that trading conditions and prospects generally are little changed from the latter half of 1994," he said. "What we can actually achieve will depend on the market activity."

(Reuters, Bloomberg, AFX)

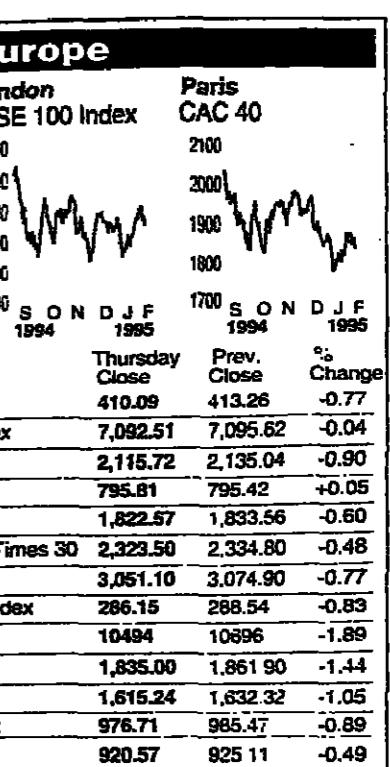
■ SE Banken Shares Fall

SE Banken AS, one of Sweden's largest banks, said 1994 operating profit rose to 3.58 billion kronor (\$486 million) from 679 million kronor in 1993, but a one-time write-down on properties turned the profit into a loss.

The results sent SE Banken's shares down 2.20 kronor to 41.60.

The company took a write-down of 4.28 billion kronor on its property portfolio.

(AFX, Bloomberg, Reuters)



Sources: Reuters, AFP

International Herald Tribune

Very briefly:

• Tenneco Inc. priced the initial equity offering of the U.S. industrial company's unit Albright & Wilson Ltd. at 150 pence (\$2.34) a share, valuing the chemicals company at \$470.3 million.

• Empresas Nacionales de Electricidad SA, or Endesa, said 1994 net profit after minorities rose 13.6 percent, to 132.73 billion pesetas (\$1 billion), as sales at the Spanish utility rose 7.8 percent, to 81.53 billion pesetas.

• Moldova's privatization program has placed nearly 600 companies of the 1,555 slated for mass voucher privatization in 1994-95 into private hands, the minister in charge of the sell-off said.

• British car output rose 18.5 percent in January, to 119,358 units, from a year earlier. Separately, British sales of machine tools rose an adjusted 8.1 percent in December from November.

• Bodensee AG, a former unit of Metallgesellschaft AG, said pretax profit in the year to September jumped 53 percent, to 203 million Deutsche marks (\$15 million), as sales in rose 8 percent, to nearly 3.5 billion DM.

• AXA SA said premium income at the French insurer rose 3.4 percent in 1994, to 134.15 billion francs (\$26 billion), held down by competition from former state insurers and continuing malaise in the European insurance business.

• French semifinished goods prices rose 2.7 percent in the fourth quarter, the strongest quarterly increase in 10 years.

• Swiss 1994 chemical exports rose 5.1 percent, to 23.5 billion Swiss francs (\$18.5 billion), while imports were up 5.8 percent, to 12.5 billion francs, the Swiss Society of Chemical Industries said.

• Georg Fischer AG's chief executive officer, Martin Huber, said 1994 net profit would be "significantly" better than the 50 million Swiss francs expected.

• Kesko Oy said 1994 pretax profit at the Finnish consumer goods retailer rose 6.2 percent, to 462 million markka (\$99 million), after sales rose 5 percent, to 27.1 billion.

• FLS Industries AS of Denmark said the board of the world's largest producer of cement factories would be restructured and its chairman would resign.

AFX, AFP, Bloomberg, Knight-Ridder, Reuters

Higher Output Helps Statoil Post Record Earnings

Bloomberg Business News

STAVANGER, Norway — Statoil AS, the state-owned oil company, said Thursday that 1994 was its most profitable year ever as petroleum output rose and petrochemicals rebounded.

Aided by reductions in operating costs and higher profit on petroleum trading, net income for the year rose to 5.4 billion kroner (\$816 million) from 3.4 billion kroner in 1993.

Statoil increased oil production 8.5 percent, which helped bolster earnings even as the price it received for oil fell 7 percent on average. It also slashed operating costs by 800 million kroner.

"The Statoil group achieved a very good result in 1994," said Harald Nor-

vik, the company's chief executive. "Improvement efforts are now yielding a good return in the form of increased oil production and lower costs."

Analysts said that was good news for the government, Statoil's only shareholder. The company said it would boost its dividend payment to the government to 1.6 billion kroner from 1.1 billion kroner.

Average oil output during the year rose to 449,000 barrels a day from 414,000 barrels in 1993, which offset a decline in prices to about \$15.80 a barrel from \$17.

That kept operating profit from oil production steady at 8.7 billion kroner.

Operating profit in Statoil's natural gas business rose to 4.3 billion kroner from 3.6 billion kroner, reflecting increased

sales of gas and the sale of the group's interest in the Etzel gas store in Germany.

Like many petrochemical makers, Statoil saw higher prices and margins for its products, which are made and sold through Borealis, its joint venture with Neste Oy of Finland. Chemicals lost money in 1993 and were profitable in 1994, although the company didn't say how much it made.

Operating profit from refining and marketing fell to 166 million kroner from 266 million kroner, reflecting weak refining margins partially offset by stronger margins on marketing products to customers.

Statoil continued to do well in its oil trading business, which had operating

profit of 801 million kroner compared with 435 million kroner the previous year.

A weaker U.S. dollar also helped because it reduced the amount of Statoil's dollar-denominated debt measured in kroner, the company said.

Statoil was founded by the Norwegian government in 1972, three years after oil was discovered in the Norwegian portion of the North Sea. Norway is now Western Europe's largest oil producer.

Statoil also said it planned to reorganize into 15 business areas from four, effective March 1. Currently the company's four business areas are exploration and production, natural gas, refining and marketing, and oil trading and shipping.

(Bloomberg, AP, AFX)

Lower Sales Weigh on SMH Profit

Compiled by Our Staff From Dispatches

ZURICH — Shares in Société Suisse Microélectronique & d'Horlogerie SA fell 5 percent Thursday after the maker of Swatch watches reported a 29 percent fall in 1994 net profit, hurt by lower sales and the strong Swiss franc.

Registered shares in SMH, the world's largest watchmaker, gained almost 10 percent from Monday to Wednesday after analysts at Goldman Sachs & Co. and Union Bank of Switzerland recommended the stock.

After the market closed Wednesday, the company said 1994 profit had declined to "around" 315 million Swiss francs (\$246 million) from 441 million francs a year earlier. Sales fell 7 percent, to 2.66 billion francs from 2.86 billion in 1993.

Hochst would not comment on the report by the business weekly WirtschaftsWoche.

The shares closed 7.50 francs lower Thursday at 148.

Urs Diethelm, an analyst with Bank J. Vontobel & Co., said that while SMH's profit was "slightly below expectations," a cut in the dividend payout to 1.7 francs a registered share from 2 francs came as a surprise.

(Bloomberg, AFX)

Purchase of U.S. Unit Cuts Hafslund Profit

OSLO — Hafslund Nycomed AS said Thursday its pretax income fell 16 percent last year, to 1.31 billion kroner (\$199 million), as charges associated with buying a U.S. company offset an increase in sales.

The pharmaceuticals and energy company said sales rose to 7.82 billion kroner from 6.58 billion kroner but that it took a charge of 209 million kroner related to the purchase of Sterling Winthrop Inc.'s diagnostic imaging business last year. Hafslund said the acquisition offered new and promising market possibilities.

(Bloomberg, AFX, Reuters)

Sanofi Ends Champagne Suit

Compiled by Our Staff From Dispatches

PARIS — Sanofi SA said Thursday it had settled a lawsuit brought by champagne producers and would be allowed to call one of its perfumes Champagne in countries other than France, Germany and Switzerland until the end of 1998.

Champagne makers took Sanofi's Yves Saint-Laurent perfumes to court in several countries to contest its use of

Packer Says He Won't Settle for Just 15% of Fairfax

Bloomberg Business News

SYDNEY — Kerry Packer, the Australian financier, defended Thursday his recent purchase of shares in the newspaper concern John Fairfax Holdings Ltd., saying he wasn't about to be outgunned by rival media mogul Rupert Murdoch and Conrad Black.

"I see in the paper that Rupert Murdoch is saying he thinks he might buy a bit more than 5 percent," Mr. Packer said. "I see Conrad Black saying that he wants to go to 35 percent. I'm not going to be stuck there at 15 percent with everybody moving around me."

Mr. Packer controls Publishing & Broadcasting Ltd., which runs the television concern Nine Network Australia Ltd. and is prohibited under cross-ownership laws from owning more than 15 of another medium, such as a newspaper.

But he has spent an estimated 40 million Australian dollars (\$29.8 million) to raise his Fairfax stake to about 17.2 percent in open-market purchases that began Friday.

Mr. Packer, Australia's

wealthiest man, is expected to argue in court if necessary that he does not have control of Fairfax because he is not the largest shareholder and has no representative on its board.

Mr. Black, who controls newspapers in Canada through Hollinger Inc. and in Britain through Telegraph PLC, of which he is chairman, holds 25 percent of Fairfax. Australia's government last year allowed him to raise his stake from the 15 percent limit previously set for foreigners. Mr. Black has signaled that he may seek permission to raise that stake to 35 percent to give his holding more stability.

Mr. Murdoch, chairman of Sydney-based News Corp. and an Australian native who became a U.S. citizen, owns 5 percent of Fairfax. He recently said he might consider going to 10 percent.

The jockeying by the three media heavyweights has triggered speculation that an all-out takeover battle might develop. Fairfax shares closed Thursday at a seven-week high of 2.80 dollars, up 8 cents.

Multi-Purpose called Multi-Purpose a "sprawling conglomerate" called Multi-Purpose Holdings Bhd. has risen more than 80 percent in three weeks on the Kuala Lumpur Stock Exchange, and nobody admits to knowing why.

About 300 million shares, equal to about 40 percent of the company's outstanding stock, have changed hands in that time.

Multi-Purpose stock has helped pull the Kuala Lumpur Composite Index on a recent climb since Jan. 24.

On Wednesday, Multi-Purpose rose 52 sen to 4.92 ringgit on the Malaysian exchange, its highest price since Sept. 28, 1994.

Then on Thursday, the stock fell 24 sen, but recorded 27.9 million trades — its busiest day since Oct. 4, 1993. In the six months between March and August of last year, average daily volume was just 2.3 million shares a day.

If anybody knows what is going on, he or she is not talking. A popular story is that Quock Leng Chan, chairman of another big conglomerate, Hong Leong Co. (Malaysia) Bhd., is making a takeover bid for Multi-Purpose.

"That rumor surfaces in almost every rally," said David Yong at Arab-Malaysian Securities Bhd.

T.K. Lim, chairman of Multi-Purpose, declined to comment on the company's stock activity. Mr. Quock of Hong Leong did not return phone calls regarding the matter.

Multi-Purpose has half a dozen publicly traded subsidiaries and associates and has gambling, real estate, banking and other activities through a total of 70 associated companies.

ASIA/PACIFIC

Stock's Mysterious Surge

Malaysian Issue Defies Gravity and Logic

Bloomberg Business News

KUALA LUMPUR — Stock in a sprawling conglomerate called Multi-Purpose Holdings Bhd. has risen more than 80 percent in three weeks on the Kuala Lumpur Stock Exchange, and nobody admits to knowing why.

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Thursday, the Kuala Lumpur Stock Exchange queried Multi-Purpose on a story about the rumored takeover that appeared in Edge, a local newspaper, on Monday. The company has until Monday to respond.

Traders liken the situation to one in 1993, when Idris Hydraulic (Malaysia) Bhd., a financial services company, rose more than elevenfold on the market, leading the composite index to double in value in the course of the year.

"I think most people would have noticed by now: When Multi-Purpose turns, the market will go with it," said Paul Sim, senior analyst at JB Securities. "It's leading the market. In 1993, it was Idris."

There are many who doubt the Hong Leong takeover story.

Whoever believes it is a nut," a dealer at a local securities firm said.

An analyst at a foreign stock brokerage concern said the speculation might have started Feb. 8 when, he said, Mr. Lim planned to give up Multi-Purpose to focus on investments in China. The paper suggested Mr. Quock wants another listed company to provide access to the capital markets.

The paper did not quote company executives.

Local newspapers have generally shied away from making definitive statements. An exception was the weekly Edge, which reported on Monday that Mr. Lim planned to give up Multi-Purpose to focus on investments in China. The paper suggested Mr. Quock wants another listed company to provide access to the capital markets.

Analysis said the S\$6 million would not be a major drain on Pioneer's earnings, and a one-time solution would help avoid a long, drawn-out leaking of red ink.

Pioneer's troubles are the latest in a series affecting Japanese investors in Hollywood. In November, Sony Corp. wrote off \$2.7 billion in debt associated with its 1989 acquisition of Columbia Pictures.

Last October, Pioneer gave \$8 million in emergency financing to Carolco after the company ran out of money to continue making pictures.

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NASDAQ
Electronic

Thursday's 4 p.m.
This list compiled by the AP, consists of the 1,000 most traded National Market securities in terms of dollar value. It is updated twice a year.

AMEX

Thursday's 4 p.m. Close
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Sales Figures are unofficial. Yearly highs and lows reflect the previous 25 weeks plus the current week, but not the latest trading day. Where a stock or stock dividend amounting to 25 percent or more has been split, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual distributions based on the latest declaration.

a - dividend also extra(s).
 b - annual rate of dividend plus stock dividend.
 c - Reversing dividend.
 d - called.
 e - new yearly low.
 f - dividend declared or paid in preceding 12 months.
 g - dividend in Canadian funds subject to 15% non-resident tax.

- dividends in Canadian funds, subject to 15% non-residence tax;
- dividend declared after sell-up or stock dividend;
- dividend paid this year, omitted, deferred or no action taken at latest dividend meeting;
- dividend declared or paid this year, an accumulative dividend with dividends in arrears.
- sum payable.

n - new issue in the past 32 weeks. The high-low range bearing with the start of trading.
n - next day delivery.
P.E. - price earnings ratio.
r - dividends declared or paid in preceding 12 months, plus stock dividends.
s - stock split. Dividend history - 10 years.
z - stock symbol.

3 - stock split. Dividend begins with date of split.
4 - Splits.
5 - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-split date.

+ — In the preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being recommended under the Bankruptcy Act.

... under the Bankruptcy Act, or securities assumed by such companies.
Ind - when distributed.
Int - when issued.

wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xdis — ex-distribution.

~~x~~ — ex-distribution.
~~xw~~ — without warrant.
y — ex-dividend and sales in full.
yld — yield.
z — sales in full.

z = soles in full

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10. The following table summarizes the results of the study. The first column lists the variables, the second column lists the descriptive statistics, and the third column lists the regression coefficients.

FRIDAY, FEBRUARY 17, 1995

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England's Likely to Keep Championships, but Soccer's Losing a War

International Herald Tribune

LONDON — England apparently will be allowed to keep the European Championships in 1996, which implies the escalation of a certain kind of war. It was declared by the English hooligans who injured more than 50 people Wednesday night in Dublin, who ripped benches out of the stands and rained them onto those sitting below to ruin the England-Ireland friendly after 27 minutes.

Their declaration is an end to itself. Their actions don't bear logic; so, as satisfying as it feels to call them "idiots" and "morons," that kind of response is probably even more satisfying to them. It's all about provoking a response. They love a fight more than anything, and names will never hurt them.

The disaster arose from the visitors' upper tier of the West Stand at Lansdowne Road minutes after Ireland had struck a 1-0 lead, and the first reaction was to retreat. The Dutch referee, Denis Jol, called off the match, while horrified commentators quickly considered whether England was deserving or capable of hosting the European Championships next year. The referee's decision shouldn't be debated: One more innocent person should not have been hurt for

the sake of putting a brave face on a sport whose own apparent breakdowns in organization helped to foster the worst behavior in the worst people.

The valid question of England's ability to host the world's second-biggest soccer tournament was quashed, typically, by Joao Havelange, president of FIFA, the international soccer federation. The decision actually belongs to UEFA, the European federation, which is awaiting reports from the English and Irish football associations.

"England does not deserve, because of a localized problem, to have a sporting right withdrawn," Havelange said Thursday from Zurich. He appeared almost angry that he had to deal with such questions. "FIFA only deals with the field," he said. "I don't have the wherewithal to go down to the stadium and check all these people. If it happens on the pitch then it's football's problem."

No doubts haven't been resurrected that England can provide safe haven for the game and all of its supporters?

"On the U.K. front, the answer is negative," Havelange said. "Everything can be handled." Just like that.

The Irish sports minister, Bernard Allen, won't be appeased so easily. He asked, "How can people from Ireland and from other countries go to England and

expect to be safe watching matches in the presence of people like those who were here tonight?"

There's often no reasoning with people in power. Their sensibilities tend to be self-serving. Of course it's true that those who celebrated the stoppage of an England match for the first time — another sad milestone — cannot really be fans of the game. It's just as true that they attend matches because of all the popularity from which the game profits; for the confrontation with the foreign cultures they regard as enemy; for the stage they can occasionally steal from the world's athletic celebrities; for the instantaneous media exposure. All of this allows a few hundred yobs to blemish the face of a nation.

(Just as true, they represent a mood within their nation.)

If there were any other stage better suited to their sins, they would ditch soccer in a moment. They were at Lansdowne Road just as surely as Havelange sees himself as some sort of global emperor.

There would be more reason to believe in the game's best traits if its leader said he was going to do everything he could to set a good example. Obviously, setting a good example is the game's only resort beyond the last-ditch measures of security in the stadiums.

Everyone worries about the innocent victims, in-

jured for supporting the game that profits from them. But it is hard to feel sympathy for the institution of English soccer in these days when its own player — probably its best player — attacks and attempts to injure the very people who reward his ability. The men who run the game value Eric Cantona's talent above all else. By insinuation they question the motives of the supporter and, more openly, the TV reporter who "provoked" him. They sympathize with Cantona and support him through this difficult time, and in so doing they loosen the standards for what should be acceptable behavior.

CANTONA's recent outbursts did not create the environment of Wednesday night. Rather, his violent actions were borne from that environment. Last week, 11 police officers were injured in the club riot at the Chelsea ground in London. Cantona did not cause these problems. The problem is the frazzled message sent by soccer's understanding and support for someone like him.

The captain of England's national team, David Platt, tried to reason with his supporters in Dublin, but they responded by throwing a bench at him. "Just two weeks ago English football was being held up as an example to the Italians on how to curb violence," said Platt, who plays for Sampdoria. "I now have to go back to Italy and face the same journalists who wrote that."

So long as the English are going to be competing play in England, where police have been educated and stadiums have been renovated in response to the violence.

Warnings of English violence were met by a huge show of security in Dublin, in light of the British-Irish negotiations over Northern Ireland; but it seems now that ancient Lansdowne Road was suited for the riot, with its narrow aisles preventing the police from overwhelming the English supporters. The English are not required to show their passports when entering Ireland, but officials on both sides are asking how 4,000 English were in the stadium when only 2,000 tickets had reportedly been made available to them. There was reportedly little separation between the host and visiting supporters.

"No surrender to the IRA," the English were chanting. Some were said to be members of the extremist National Front; some were giving Nazi salutes. It is said that the most effective English hooligans are now approaching middle age, which means they know all the tricks.

They have put the pressure on England to police itself against itself once more. If real fans were wondering which team will win the 1996 championship, they will now be worrying more about their own safety. But that's not Joao Havelange's problem.

FA Asks Fans To Turn In The 'Thugs'

Reuters

LONDON — "True fans" were urged Thursday by England's Football Association to help identify those responsible for Wednesday night's trouble.

"We are making a major effort to identify those at the heart of the trouble," said David Davies, the FA's director of public affairs. "Many of them were recognizable from newspaper photographs or television stills."

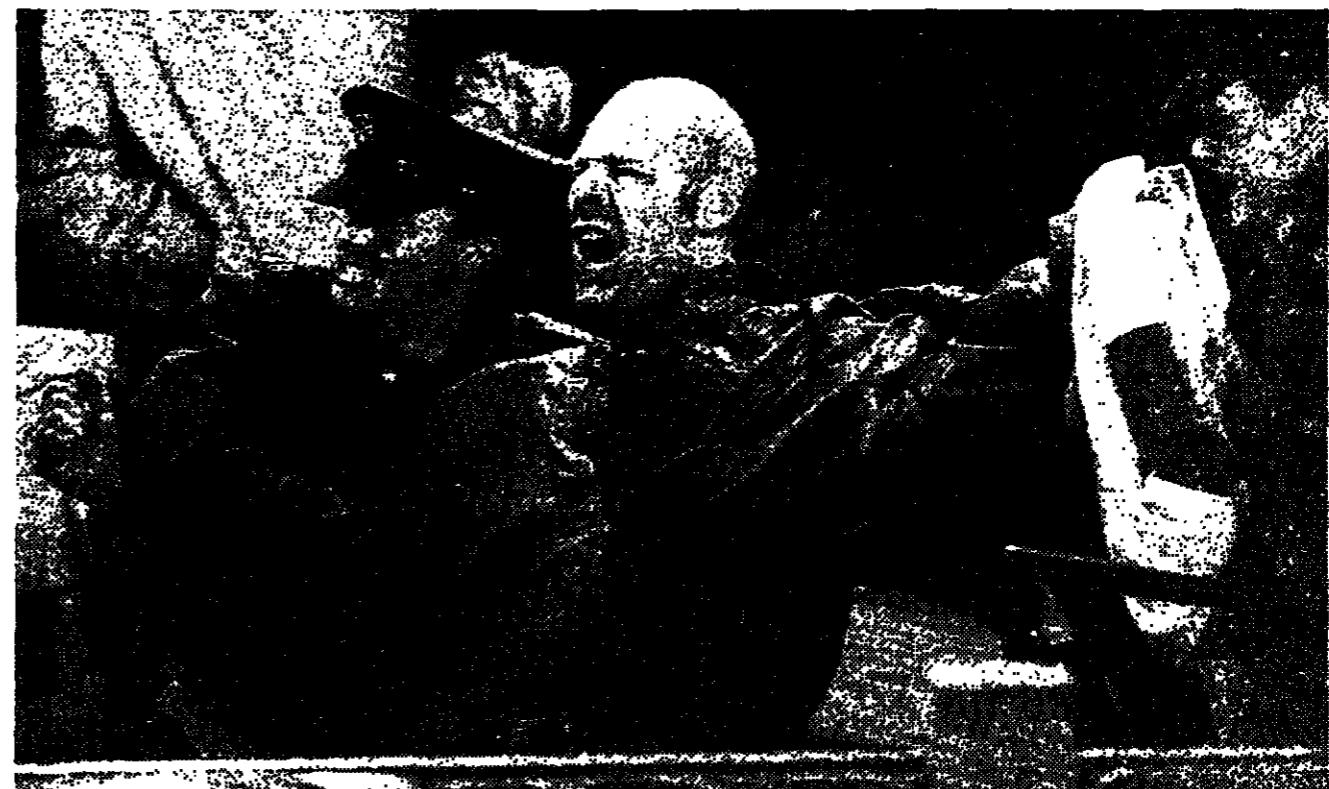
The FA has set up a special free phone line, Davies said, and added: "We urge true football supporters to ring if they can help."

"We will be asking every club involved in matches this weekend to repeat this appeal and we trust the Irish law will be used to its limits to punish those involved last night."

"We will do everything in our powers to banish those who disgraced themselves and the nation they purport to represent."

Prime Minister John Major, in a letter to Prime Minister John Bruton of Ireland, apologized for the "inexcusable and thuggish" behavior by the English at the match.

"They were a disgrace and an embarrassment," wrote Major, himself a keen soccer fan.



Ross Kinnaird/Reuters

The pain, the rage: An injured spectator (left) at the match in Dublin was treated on the field as, in the stands, police wrestled with a member of the English contingent. Police said they had arrested about 40 people from England and three from Ireland, and 40 people had been treated at a hospital for injuries, one a fractured skull. An Irish man in his 60s died of a heart attack while leaving the stadium, although this was not thought to be related to the violence, police said.

Graf Given a Fight, but Defeats Young Hingis

The Associated Press

PARIS — Steffi Graf, in the second match of her comeback from injuries, defeated 14-year-old prodigy Martina Hingis in a quarterfinal Thursday at the Paris Open.

Although Graf won, 6-2, 6-3, and in 61 minutes, the young Czech player, who lives in Switzerland, was tougher than the score indicated in her first match against the German star.

Graf controlled the pace, hitting forehand winners at key points. However, Hingis was able to stay in the match by taking advantage of Graf's weaker back-

hand and occasionally hitting winners of her own.

Graf took the first set, which she opened with an ace, in 26 minutes. The only time she was in trouble was in the first game, when two double faults gave Hingis a break point. But two forehand winners and an ace erased that and gave Graf the game.

Hingis stiffened her defense and even broke serve to go ahead, 1-0, in the second set with the help of two consecutive backhand errors by Graf. But Graf fought back right to even it at 1-1.

Still, each game was a struggle. There were several more service breaks, includ-

ing one by Graf to go ahead by 5-3. Serving for the match, she took the final two points with her eighth ace and a service winner.

Hingis beat last year's finalist, Julie Hingis of France, in the second round.

Graf, because of recurring back and calf injuries, has played just four matches since losing to Arantxa Sanchez Vicario in the U.S. Open in September — two in the year-ending Virginia Slims tournament in November and two in this tournament.

She has lost her No. 1 ranking to Sanchez Vicario but could gain it back with a victory in this tournament.

CROSSWORD

ACROSS

- 1 Finance
- 2 Tore
- 3 Trick
- 4 "There!"
- 5 Drench, with down
- 6 Patron saint of Norway
- 7 Mississippi quartet

18 Plenty

19 Bay.

20 Like Chablis

21 Butcher?

22 Neil portrayer in a 1994 movie

23 Who 46-Across, a successor to Buster Crabbe

27 Like Schlossberg's wife

28 Anomalous

29 Daily role

30 Recoiled

31 Time-worn

32 Civic organization

33 "It Be Magic"

34 Group of turtles

35 Recieve

36 Cook squash, perhaps

37 Early tennis star

38 Hull Jacobs

39 Nerve impulse

40 Aristocracy

41 See 26-Across

42 Affict suddenly

43 Cattlemen?

44 Magic org.

45 Trace

46 Super

47 Mental leader

48 Duchess

49 French chef's dish

50 Tuscan city

51 Marquess or viscount

52 Like — of bricks

53 Dangerously seductive

54 Eventful times

55 Ship's prow

56 Orthopedist?

57 Violinist Bull

5 Tolson's part of command

6 Economy

7 Kind of shirt

8 Workers' purchase arrangement, for short

9 Dissuaded

10 Herr Goethe

11 Golfer

12 Alto

13 — excellence

22 Trouble

23 Artistry

24 A good deal of binary code

27 Tourist city near Nimes

28 Lee

29 "On the Beach" author

30 Roofing item

31 Guidance counselor?

32 "Oklahoma!" sun

33 Bygone coins

34 Gainsey

35 Largest living rodent

36 Auto pioneer

37 Polo pioneer

38 Dona Duke, e.g.

39 Sweet drink

40 Flock of wild fowl

41 Prow command

42 Hostess, e.g.

43 Send

44 Prong

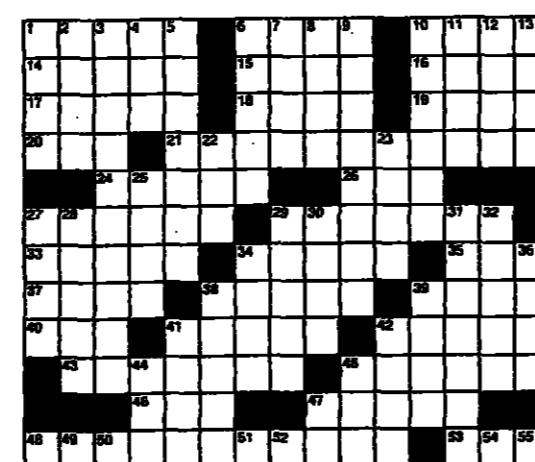
45 II ever

46 Radix, botanically

47 Hippo about

48 Note

49 Fligherty's "Man of Weeks per annum



Solution to Puzzle of Feb. 16

ARGALI	COWARD
CUEBALLS	OPENER
INTAGLIO	MADAMA
DAW	EMPTOR
STEAM	PHIL
ALLOW	IND ASKS
BLITHE	SPIRIT
HECTARE	
ANYTHINGGOES	
PIMA	SUG BASHIR
INAPI	EAT USHAR
PDT	HOSTEL APE
PIETAS	EXAMINES
IGUANA	STOODOUT
PORTER	SCALPS

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POSTCARD

Ghosts in Gloucester

By Ralph Blumenthal
New York Times Service

NEW YORK — Now you see them, now you don't. Anyway you look at it, there are two extra sailboats and some flying sea gulls in a Winslow Homer watercolor that weren't there when the American master painted it in 1880.

The ghostly additions materialized sometime after the painting, "Off Gloucester Harbor," was stolen in 1969 and before it reappeared in 1992. Thereby hangs a bittersweet tale, one that ended with the return of the defaced painting to its owner more than a quarter-century after its theft but with a central mystery still unsolved.

"They're not dead sure it can ever be restored," said Sophia L. Truslow, the lawyer for the owner, Ellen Jennings of Ipswich, Massachusetts. Insurance companies, she said, won't touch the painting. "It's not a Homer and Joe Blow."

As told in federal court papers and interviews with Robert Van Etten, the U. S. Customs Service agent in charge in New York, the work, which had been valued at about \$125,000, was one of four Homer works — two watercolors and two drawings — that were stolen from the home of Jennings and her late husband on Jan. 16, 1969.

The painting is of two boys in a rowboat on calm water looking at a schooner passing in the distance to the right.

In March 1992, court records say, Peter Juvelis, an art broker from Mexico and Fort Lauderdale, Florida, consigned for sale by Christie's in New York a Homer watercolor for a client, Georgia Maldonado.

When Christie's asked about the history of the picture's ownership, Juvelis "stated he had

no bill of sale because his client received the watercolor as a gift from a Mexican official," a customs agent, Bonnie Goldblatt, said in sworn statements.

When Christie's sought authentication from a Homer expert, whom the authorities sought to keep anonymous, she identified it as the long-missing Gloucester Harbor scene.

She also noticed the addition of two smaller sailboats on the left and sea gulls in the sky, apparently to disguise the work as a painting other than the one that had been stolen.

The expert then recalled, Goldblatt's affidavits said, that two years earlier she had authenticated a Homer painting consigned by the same Juvelis.

This drawing — "Boy Sitting on a Stump," from 1879 — was also one of the Homers stolen from the Jennings home, but by oversight it had not been registered as missing. In that case, the court papers said, the sale went through unnoticed, at a price of \$54,000.

When Customs Service agents interviewed Juvelis about the drawing in 1992, he again named the owner as Maldonado, who, he said, had received it from friends 20 years before, the affidavits stated.

Further investigation showed that Juvelis was married to Maldonado, Goldblatt said.

Furthermore, the agent testified, when the Customs Service asked for the commercial form documenting the importation of the Homer painting from Mexico, as required for sale transactions, Juvelis said there was none because a friend had carried it in for him.

Michael I. Rose, a lawyer for Juvelis, said his client had been "duped" into buying the stolen works from an art dealer in Ipswich who died years ago.

Russell Baker is on vacation.

William Christie's Magic Resurrection Act

By David Stevens
International Herald Tribune

PARIS — Once again, the hottest ticket in town is for a musical-theatrical entertainment first performed more than three centuries ago and since then mostly left for dead.

The phenomenon is similar to the astonishingly successful resurrection eight years ago of an opera, "Atys," from the supposedly moribund repertory of the founder of French opera, Jean-Baptiste Lully. William Christie, the conductor and prime mover of that revival, is back at work, this time in behalf of Britain's great Baroque composer Henry Purcell.

"King Arthur," or "The British Worthy," identified as a "dramatic opera," is a collaboration by Purcell and John Dryden, defrocked as poet laureate because, as a Roman Catholic, he did not fit in with the Protestant regime of William and Mary, nonetheless rejigged the text and political agenda of a play he had written in allegorical homage to Charles II. Purcell contributed the music, and "King Arthur" was a popular success in 1691 in London's Dorset Garden.

The return of theater under the Restoration did not include English acclimation in fully sung opera, and "King Arthur" is a "semi-opera," a kind of 17th-century musical in which the main plot is moved along by Dryden's rich and vigorous language, while music is called on to generate the fantastic elements.

Christie successfully revived another of Purcell's semi-operas, "The Fairy Queen," at the festival in Aix-en-Provence, and "King Arthur" seemed like a good bet for the 300th anniversary of Purcell's too-early death at age 36.

"This is a response to some very smug comments by British and American scholars that the form is dead and unfit for revival," Christie said cheerfully during a break in rehearsals.

"Why can't words and music co-habit?" he asked. "They do — in American musical comedy and in the movie musicals of the '40s and '50s."

In the case of "King Arthur," the division of speech, music and dance



Marie-Noelle Robert

Christie has made a specialty of a long-vanished repertory.

requires the services of actors, singers and dancers, with only two roles — an Air Spirit and an Earth Spirit — calling for both singing and speaking.

The story tells of the political-military confrontation of Arthur, Christian king of the Britons, and Oswald, the pagan and Saxon king of Kent, and of their amorous competition for Emmeline. Each king has his own magician, Merlin, who restores the sight

of the blind Emmeline and overcomes

the evil spells of the lascivious Osmond, and there are myriad other spirits and mythical figures.

On the stage of the Théâtre du Châtellet, Graham Vick and his mostly British team have staged a marvelously imaginative show. Paul Brown's sets and costumes are as richly colored as a child's picture book, modern in means but with a Baroque sense of spectacle. Dryden's rich verse is handsomely spoken by a cast of British

actors, and the stylized acting and extravagant costumes give the impression Kabuki was an English invention.

The Baroque theater of machines is cleverly evoked. The opposing kings slide on and off from the wings astride their horses. Various spirits descend from the flies or disappear through traps. Trees and flowers pop up from the floor and a field of ice is transmogrified into a field of sunflowers. Singers and dancers are subtly blended, so that they seem to be a chorus of singing dancers, or dancing singers.

The final act is a grand apotheosis to the future greatness of Britain. The Isles rise out of the sea complete with white cliffs and grassy meadows, shepherds and farmers; Venus arrives to sing praise of the "Fairest Isle," and there is a parade of British icons — a London bobby, a coal miner, a guardsman, an RAF pilot. After all, who needs European Union?

The music of "King Arthur" has lived on mainly in concert without the story or in severely truncated stage versions. The production at the Châtellet, where the eight performances were sold out before they opened, is probably the most complete in about 300 years. The production goes to Caen, Christie's Norman outpost, in March, and will have three performances at London's Covent Garden in May.

For Christie, 50, this is another triumphant step in a career devoted mainly to "bringing a repertory, among the best in the world, back into focus and proving that it has something to say to a contemporary audience." His place in the French musical landscape is suggested by his sharing, with Pierre Boulez, the inaugural program of the new Cité de la Musique. The Arts Florissants ensemble he founded in 1979 has about 100 singers and instrumentalists expert in a repertory ranging from Monteverdi madrigals to Baroque opera to — a challenge coming later this year — Beethoven's "Miss Solemnis."

He admits, too, that he has his eye on Mozart's operas, having already conducted "The Magic Flute" at Aix. But he adds that "we are approaching Mozart from the right side — going through the process in the same direction as the composer."

PEOPLE

Saint Laurent Drops Its 'Champagne' Name

The Yves Saint Laurent perfume called "Champagne," launched in 1993, will change its name worldwide by 1998. The name was withdrawn in France and Switzerland after winegrowers charged that YSL had no right to the name of the famous wine. Under an agreement reached by Sanofi/Yves Saint Laurent, the French Institut National des Appellations d'Origine, and Champagne winegrowers, the label will be withdrawn in Germany in October and phased out everywhere over three years. In France, the perfume has already been renamed "Rouge à Lèvres" (Lipstick). □

Bona Staller, better known as Italy's former porn star Cicciolina, won provisional custody of her 2-year-old son, Ludwig Maximilian. A Rome appeals court threw out a request for custody by her former husband, the American artist Jeff Koons, who had the backing of a New York judge's ruling. A final decision is expected later. □

Two nieces of Rudolf Nureyev are contesting the sale of two apartments by the dancer shortly before his death in 1993. Ross and Gennel Nureyev are challenging the validity of the sale of the apartments and their contents to one of the foundations Nureyev created. □

After criticism of its smutty film, "Hoof Dreams," the Academy of Motion Picture Arts and Sciences has agreed to review how documentaries are nominated for Oscars. Arthur Hiller, the academy president, said, "Hoof Dreams" was not among the nominees in the documentary feature category, although it collected some of the best reviews for any movie last year.

WEATHER

Forecast for Saturday through Monday, as provided by Accu-Weather.



North America

Rain and thunderstorms will drench the Southeast over the weekend and into Monday. The system will move northward. The cold front will bring wind and snow from the North to the Northeast Sunday in the form of ice or snow, but will leave on Monday. The Pacific Northwest and Southern California will be dry and unseasonably warm.

Europe

A stormy pattern will prevail across the continent over the weekend and into Monday. The cold front will move from Turkey and snow from the Balkans to Czechoslovakia. Another storm will bring wind and rain from the UK to Northern France and parts of Western Europe. Some of the rain will be heavy. Singapore will be warm and humid.

Asia

Cold winds and snow will affect northern Japan over the weekend and into Monday.

Japan and Korea will have dry weather with a cool northerly breeze. Rain will fall from the UK to Northern France and parts of Western Europe. Some of the rain will be heavy. Singapore will be warm and humid.

Middle East

Rain and thunderstorms will continue across the region.

Africa

Scattered showers will continue across the region.

Europe

	Today	High	Low	W	Tomorrow	High	Low	W
	Cloud	Cloud	Cloud	Wind	Cloud	Cloud	Cloud	Wind
Algeria	80°/60°	80°/60°	80°/60°	N	80°/60°	80°/60°	80°/60°	N
Angola	78°/58°	78°/58°	78°/58°	S	78°/58°	78°/58°	78°/58°	S
Andorra	68°/48°	68°/48°	68°/48°	E	68°/48°	68°/48°	68°/48°	E
Antigua	74°/54°	74°/54°	74°/54°	N	74°/54°	74°/54°	74°/54°	N
Argentina	70°/50°	70°/50°	70°/50°	S	70°/50°	70°/50°	70°/50°	S
Armenia	70°/50°	70°/50°	70°/50°	S	70°/50°	70°/50°	70°/50°	S
Australia	70°/50°	70°/50°	70°/50°	S	70°/50°	70°/50°	70°/50°	S
Austria	68°/48°	68°/48°	68°/48°	S	68°/48°	68°/48°	68°/48°	S
Azerbaijan	70°/50°	70°/50°	70°/50°	S	70°/50°	70°/50°	70°/50°	S
Bahrain	70°/50°	70°/50°	70°/50°	S	70°/50°	70°/50°	70°/50°	S
Bangladesh	70°/50°	70°/50°	70°/50°	S	70°/50°	70°/50°	70°/50°	S
Barbados	70°/50°	70°/50°	70°/50°	S	70°/50°	70°/50°	70°/50°	S
Bulgaria	70°/50°	70°/50°	70°/50°	S	70°/50°	70°/50°	70°/50°	S
Burkina Faso	70°/50°	70°/50°	70°/50°	S	70°/50°	70°/50°	70°/50°	S
Burma	70°/50°	70°/50°	70°/50°	S	70°/50°	70°/50°	70°/50°	S
Burundi	70°/50°	70°/50°	70°/50°	S	70°/50°	70°/50°	70°/50°	S
Burkina Faso	70°/50°	70°/50°	70°/50°	S	70°/50°	70°/50°	70°/50°	S
Burundi	70°/50°	70°/50°	70°/50°	S	70°/50°	70°/50°	70°/50°	S
Bulgaria	70°/50°	70°/50°	70°/50°	S	70°/50°	70°/50°	70°/50°	S
Burkina Faso	70°/50°	70°/50°	70°/50°	S	70°/50°	70°/50°	70°/50°	S
Burundi	70°/50°	70°/50°	70°/50°	S	70°/50°	70°/50°	70°/50°	S
Burkina Faso	70°/50°	70°/50°	70°/50°	S	70°/50°	70°/50°	70°/50°	S
Burundi	70°/50°	70°/50°	70°/50°	S	70°/50°	70°/50°	70°/50°	S
Burkina Faso	70°/50°	70°/50°	70°/50°	S	70°/50°	70°/50°	70°/50°	S
Burundi	70°/50°	70°/50°	70°/50°	S	70°/50°	70°/50°	70°/50°	S
Burkina Faso	70°/50°	70°/50°	70°/50°	S	70°/50°	70°/50°	70°/50°	S
Burundi	70°/50°	70°/50°	70°/50°	S	70°/50°	70°/50°	70°/50°	S
Burkina Faso	70°/50°	70°/50°	70°/50°	S	70°/50°	70°/50°	70°/50°	S